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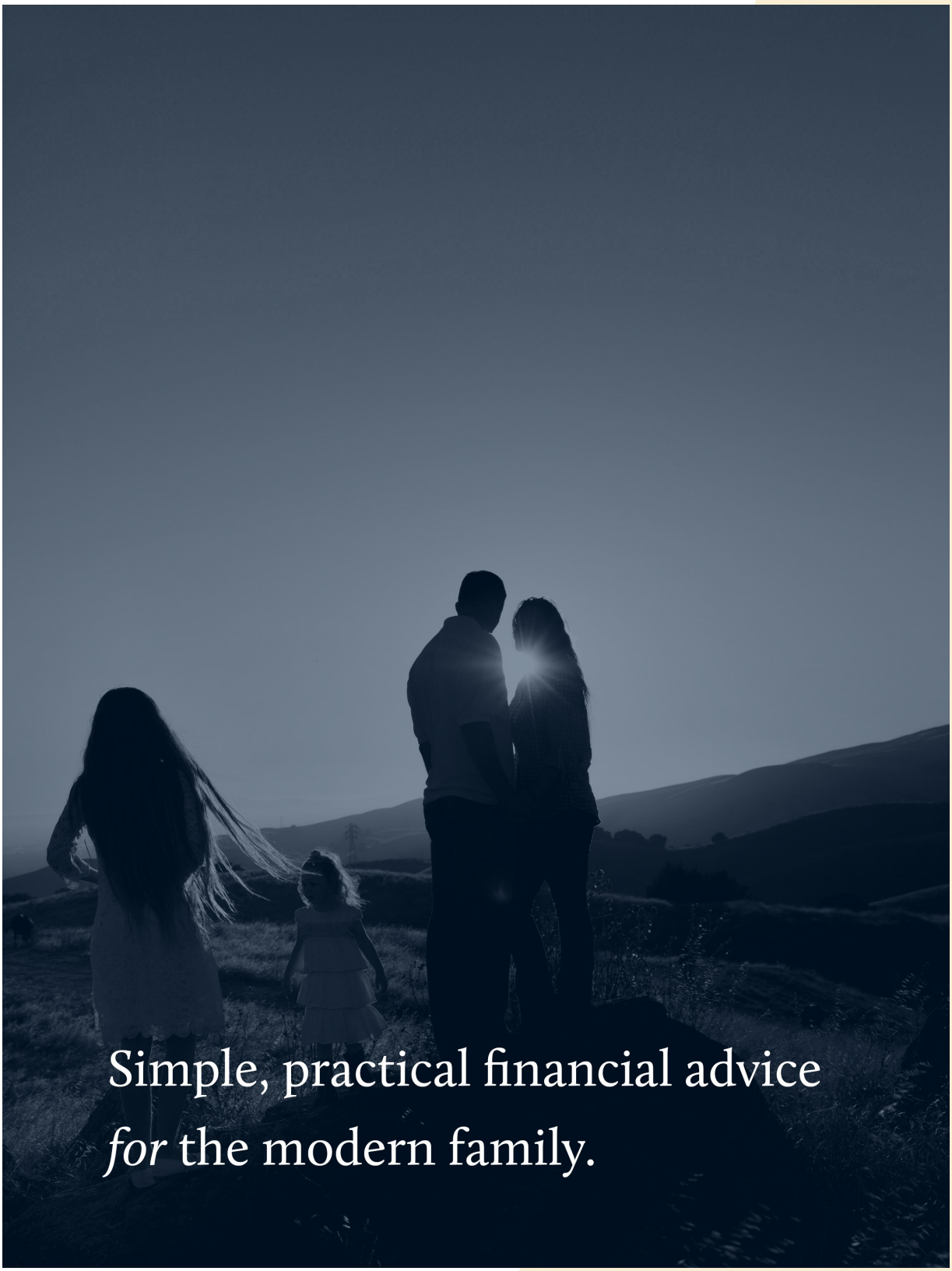
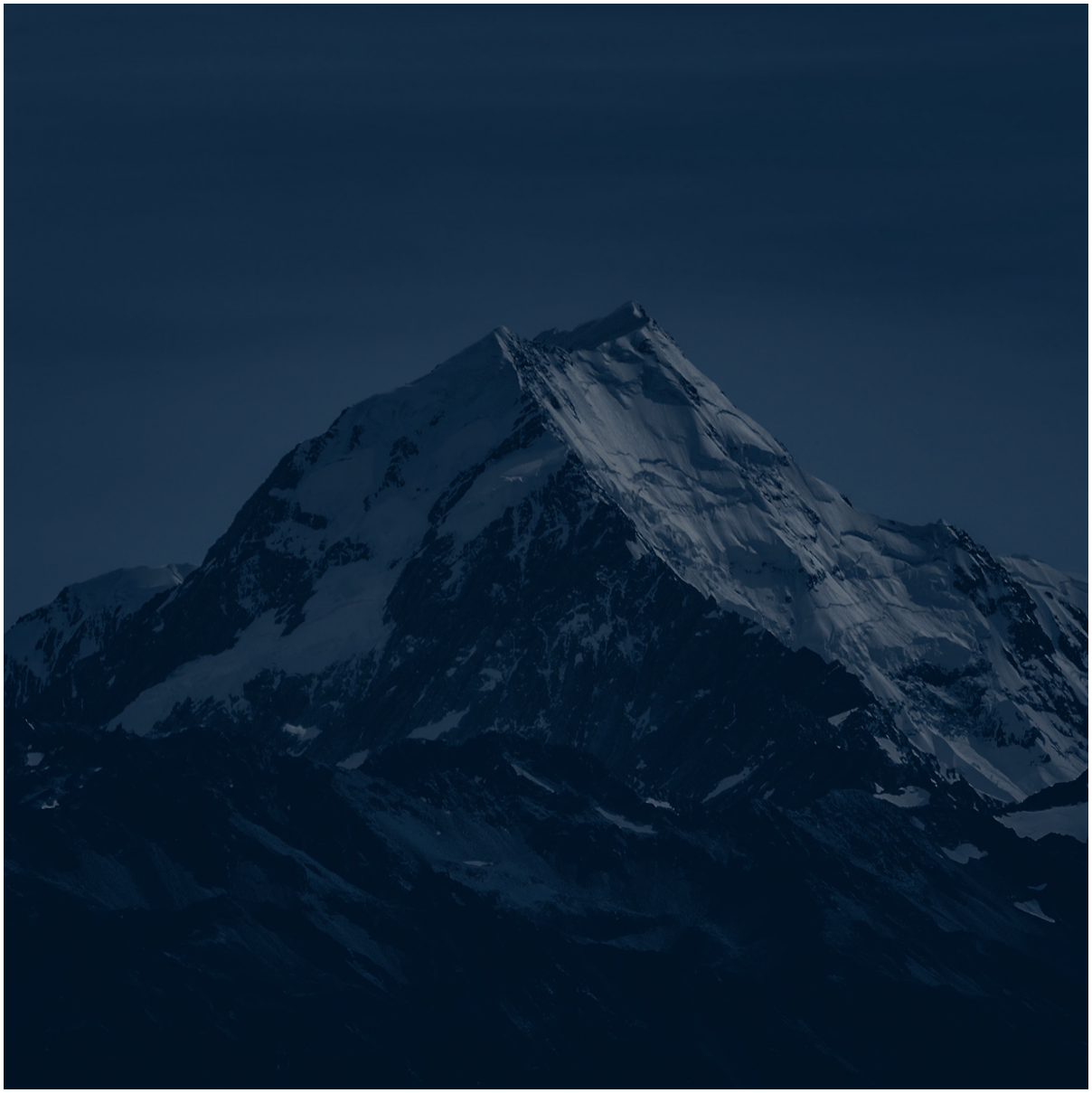


Table of Contents

Stoic Minimalism Steered Us Towards Financial Independence

—by Meg Nordmann



In *Swiss Family Robinson* style, we'll climb the bamboo ladder up to the first floor to a wooden deck that floats around the midsection of a tree. A macrame hammock will sway gently in the breeze by an outdoor kitchen and just beyond that will be a swinging rope bridge that leads to the adults' bedroom. Open-air windows frame a different tropical landscape in all directions. A gauzy mosquito net envelops the single mattress that beckons us to enter a trance-like sleep to the jungle sounds of exotic bugs and amphibians.

The kids share their own treehouse turret which rises through the treetops with its thatched roof dripping with the natural elegance that only palm leaves could give. In the distance, we can spot the ocean and know at a glance if the waves are ideal for surfing today--after all, we have nothing else we *have* to do. A pathway cut through the thick vegetation will lead us to the shimmering beach and turquoise water in just five minutes. We can cut open a coconut when we get there and refresh ourselves with the sweet water inside.

This is our shared daydream. As of this writing, my husband and I are only 431 days away from no longer needing a paycheck, according to our calculations. For a little over five years now, we've been crafting this vision to become ever more clearer. We can taste that salty humid air of Central America as we cross off another day on our calendar

where we have hand-written our countdown to financial independence.

But for now, my husband must head into work by 7 a.m. and I need to message our next guest that checks in to our vacation rental tomorrow. There's still work to be done. Heads down, we focus on what needs to be completed in order to achieve this massive dream: "early retirement" before we are 40.

Five years ago we were in debt. But with our goal clearly in mind, we knocked that out, began aggressively saving and consumed a surprising amount of books and podcasts to self-teach ourselves the ways of stock investing, real estate investing, and tax laws.

We have witnessed first-hand the power of compounding and have been stunned at the fast track our financial life has taken, despite being a single-income family with a blue-collar job. The details of how we have strategically approached financial freedom will be saved for another day, but what is even more important are the philosophies we picked up in this same length of time that have helped us stay disciplined: Minimalism and Stoicism.

Minimalism

When we first sat down to determine which debts to tackle first, I was admittedly a borderline hoarder. My husband had shed his attachment to things years ago when traveling the world as a surfing nomad with nothing but a backpack and a surfboard to his name. But I was still fully

in the grips of consumerism with an urge to prove my worth to the world by my collection of lovely things.

I don't think I'd ever "decluttered" a single thing in my entire life. But a move across the country to a small cottage that was half the size of our current apartment forced me to question things for the very first time. It was a painful process for me. I did not experience a rush of relief as I let go of furniture and clothes. It felt depressing and wasteful and I begrudgingly found new homes for them, resentful of the forced departure.

When we arrived at the cottage, I still had too many items. There was simply no space for the things I was still clinging to. We had our first child just a couple months later and in only a few more months, I would experience the pure overwhelm and chaos that a messy toddler can bring.

I headed to the library and checked out books on a trendy topic--minimalism--and found podcasts on the subject. The lightbulb moment for me was the realization that the less things we owned, the less I would have to clean, and therefore the more *time* I would have. And time is the most valuable asset we can have!

"What would I do with all that glorious time?" I wondered.

First, I could actually play with my child and be more present with her. Secondly, I had a long list of creative projects I was aching to do. Thirdly, perhaps I could help bring in extra income with this newfound abundance of time, and therefore achieve my dream jungle hut in the tropics sooner. And besides, was I really going to take this houseful of things to a tiny treehouse? No!

The decluttering purges began at once, but this time I felt a surge of dopamine with each item I decided to let go of. With practice, I seemed to chemically reverse my old trigger for shopping. Instead of feeling that rush of pleasure for obtaining a new item, I got that same satisfying chemical reward in my brain for releasing an item.

Not only did we make decent money back on the items I sold, but our savings rate increased to 75% without my wasteful shopping habit draining the bank account. We saved ⅔ of our income and invested our savings in order to grow our wealth.

The more I saw how quickly each dollar could compound, the less I wanted to participate in the consumerist rat race.

And even better than the cash was the amount of peace and happiness I felt. The time required cleaning up the house reduced drastically. I had picnics with my kids, joined an orchestra, wrote a few books, painted, and eventually was able to both manage and clean our first vacation rental which contributed to more income.

Minimalism gave me Time. And my contributions with my time will eventually allow us to buy my husband's freedom as well. In a little over a year, he will have his Time, too. We could not have achieved this while still shackled to our stuff.

Stoicism

One morning, my husband excitedly asked me over a cup of coffee, "Do you know what a Stoic is?" I heard, "Do you know what *stoic* means?" "Sure I do," I replied, "it's like an adjective for how someone looks. You know, like 'a look of stoic resignation on his face.' Like, someone who doesn't complain. Right?"

"No, a *Stoic*, as in Stoicism. It's a philosophy of life, where people believe..." And I immediately tuned him out in a bit of panic, as he began passionately trying to explain something he had just read and resonated with.

It sounded like a religion or a cult and I couldn't focus on what he was saying, as I felt suddenly alarmed and concerned for his mental health. He continued to talk about it for the next few days, increasingly excited to have found something that seemed to make so much sense to him, so I finally caved and did some reading on my own.

I was relieved to discover my husband was not finding a new religion or joining a cult. Indeed, I found myself increasingly excited as well, as

everything I read seemed so logical and exactly in line with my own beliefs. It turns out that Stoicism is an ancient philosophy that stemmed from a handful of respected Greek philosophers.

They would teach their students from a *stoa*, a porch, their views of personal ethics which were informed by logic and the rules of the natural world. In short, anything that bewilders you can be cleared up by the sound logic that Stoics have eloquently outlined for us. It's not a religion, it's a philosophy. One can be a Christian or a Buddhist or an atheist and also be a Stoic as well.

How does this apply to finances? In a myriad of ways! One mental exercise that Stoics believe should be regularly practiced is pondering the worst-case scenario so that you are mentally and emotionally prepared for that blow. It's done from an objective, curious state of mind rather than a depressive or paranoid one.

For example, we invested in the stock market and had to mentally prepare ourselves to witness the impending crash that would surely come, as it cyclically arrives approximately every ten years. We practiced the visualization of our account dwindling down, even as we put more money into it. Sure enough, the worst-case scenario arrived in March 2020 and we steeled ourselves for the plummet.

We had already envisioned it so it was easier to bear. We had prepared ourselves mentally and financially for our vacation rental to be shut

down by a hurricane. With global warming, the chance that we'd experience a direct hit of a Cat 4 or 5 hurricane that would shut down our renting capabilities for a month or two was fairly high. Instead, a global pandemic shut us down for two months.

The source of the possible shutdown was unknown to us when we purchased the place, but we had envisioned a worst-case scenario and so we were able to take it in stride when it arrived. Another way to think of this practice is to always have an "Exit Strategy" with anything financial. Imagine the worst that could happen and then figure out in advance how you could exit the investment.

Another Stoic practice is to "practice poverty." Stoics would often spend intentional time stripped of their material items and worldly goods to get back to the basics and detach themselves from their riches and comforts. When they returned to their luxuries, they would view them with renewed indifference, reminded of their frivolous and disposable nature. In our pursuit of financial independence, we practice poverty with purposeful frugality.

We sold a newer car with a loan payment for a used car in cash--a 1995 with over 350K miles. We now live in a small duplex instead of a large downtown loft. We don't run our AC and instead open the windows. We only have one vehicle, but rarely drive it and ride bikes to save on gas. We buy almost every single item used, instead of new. This extreme

frugality reduces our living expenses which increases our savings rate and speeds up how quickly we will achieve early retirement.

Our now frugal lifestyle will continue into retirement, as we have detached ourselves from our old consumerist desires. This practice of poverty will eventually lead to a luxuriously happy life full of free time. We don't want a beach mansion, we want a jungle hut. We don't want a Porsche, we want the ability to travel with our kids and to make art and music.

Another practice of Stoicism is to understand what is in your control and what is not. There have been so many moments in the past five years where we could have spun out of control when frustrated about things not happening the way we envisioned. But we keep this practice forefront in every scenario in life.

We treat the word "fair" as "the F-word"--a forbidden, dirty word that should not exist. Expecting life to be fair is an easy way to be set up for disappointment and frustration. Instead, dissect each moment in life into what is in your control and what is not in your control.

For example, let's say my husband's boss gives him a "crappy" assignment that seems beneath his skill sets. Instead of being offended, lamenting about the unfairness, having a bad day, snapping at his boss with a passive aggressive comment, or deciding to quit his job, he would internally ask, "*What is not in my control?* The projects my boss decided

to assign today. *What is in my control?* I can accept this assignment, not let it affect my attitude or day, get it done quickly and well, and then I will be ready for the next assignment. The assignment, though sub par, pays me income and that income will grow into my eventual freedom from this job. I'm in control of my mind and I am indifferent and grateful."

We can't control the world around us or other people, but we *can* control our mind and our emotions. Life is messy and there are tons of roadblocks that we have to navigate each day. Separating everything into these two categories will help keep you on a steady, focused and even-keeled path towards your goals.

The intersection of minimalism and Stoicism gave us the mindset shifts we needed to be able to pare down our belongings and our old urges to consume, while looking at the path to financial freedom in a rational way. It's a sort of emotional intelligence that can be learned in order to stay both disciplined and flexible.

Financial independence is a massive goal and if you are looking to speed up the amount of time it takes to achieve it, taking purposeful steps to change society's conditioning for desires and expectations is incredibly helpful to the journey.

Not everyone will be driven by the desire to live in a humid jungle with no air conditioning or hot water, but to us, our Dream Life is just within

grasp. We are steering the things that are in our control, shedding the material and emotional items that do not serve us, and working on our next Exit Strategy.

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Meg Nordmann is a former journalist, editor and digital marketer. She is now a full-time mother who writes, blogs, and speaks about minimalism and frugalism—philosophies that have afforded her family the luxury of time and freedom to explore the things that matter the most to her. Her book, *Have Yourself a Minimalist Christmas: Slow Down, Save Time, and Enjoy a More Intentional Holiday,* is available for pre-order now.

The Dangers of Lifestyle Inflation

—by The English Investor

A friend of mine went on a sabbatical last year and returned to work a few months later. We were having a long day and decided to step out to grab coffee.

My friend joked that, at the current pace, he might quit again and go on a new backpacking adventure. He then went on to tell me "*after all, I now have more money than at the time of my resignation last year. I could totally do it again.*"

My immediate reaction: "*Wow, how is this possible?*" Sure, I have saved quite a bit but I do not think that I would have reached his milestone as quickly. I've always known that I spent more than he did but not in significant amounts. Yet, I questioned myself and wondered whether I was not falling into the lifestyle inflation trap despite my best efforts.

After all, I was the one who purchased a very expensive engagement ring.

What is Lifestyle Inflation?

Lifestyle inflation is essentially the practice of spending more as you earn more. As a result, the amount you save each month never increases. If you don't save at all, then you continue to live pay check to pay check although your income increased. Seems wrong, doesn't it?

According to *Investopedia*, "Lifestyle inflation refers to increasing one's spending when income goes up. Lifestyle inflation tends to continue each time someone gets a raise, making it perpetually difficult to get out of debt, save for retirement, or meet other big-picture financial goals."

In other words, you can never escape the rat race. You are stuck working to simply pay bills without any chances to achieve financial independence. It's a depressing situation.

What Lifestyle Inflation is Not.

It's also worth noting what's not lifestyle inflation with two very specific examples.

- **Increase in costs of living**: if rent increases and you need to pay more to your landlord, that's not lifestyle inflation. It's just straight up inflation. The same goes with groceries and public transportation. On the other hand, if you move from a studio to a two-bedroom apartment all by yourself, that's lifestyle inflation.

- **Primary needs**: if you now make enough money to purchase health insurance, that's not lifestyle inflation. It's just being smart about basic necessities. Everybody should have health insurance in one form or another because if you don't have one and become sick, it could bankrupt you.

Avoiding Lifestyle Inflation

Avoiding lifestyle inflation is a necessity to achieve financial freedom. It's important that when you receive a pay rise or a bonus, you don't spend everything away. Unless you are satisfying an essential need, do not increase purchases and come up with a plan for that extra money. So if money is burning a hole in your pocket, then try the following tips to stay in control.

Become Aware of Lifestyle Inflation

It's hard to become conscious of a problem when you do not know about. If you reached this sentence, then you know what lifestyle inflation is and you should be conscious about it.

When I started my current job in London, I received a significant pay bump compared to what I used to be making. Sure, London is expensive and some expenses were bound to go up. But blowing up almost £7,000 in a month was clearly not a necessity. I upgraded my apartment, bought an expensive watch, and completely failed at saving any substantial sums.

It's only when I started to discuss finances with some of my colleagues that I realized how far behind I was falling.

Once I became of the dangers of lifestyle inflation, I had to shake off two preconceptions that only encouraged lifestyle inflation.

From then on, I took decisive steps to correct the situation.

“I can” does not mean that “I must”

Lifestyle inflation only becomes an issue when the increased income allows you to have more freedom. You think that you have available money to spend and therefore you naturally contemplate what you could spend that money on. And with so many choices available, it can be quite difficult to resist, even with the best of intentions.

The issue I had was that I could essentially spend the money on whatever I wanted. Suddenly, I had the ability to go to the restaurants and never check the bill before paying. I knew I could do it so why not? The same reasoning applied to purchasing musical instruments or going on weekend trips. Soon enough, I would have more “goods” but at the cost of not making progress on more important investments such as buying a home.

Once I realized that my savings were not increasing at least as quickly as my income, I took a cold-hard look at my spending habits and hit the brakes. To do so, you need to change your mindset from “I can/I must” to “I could/I’ll wait.”

“I work hard so I deserve it”

If you have friends working for a big law firm in New York or London, then you know that their work schedule can be intense. The same applies to people working at prestigious investment banks. It’s not uncommon to regularly clock 70 hours a week with peaks at 100 hours. This is especially true when there are active transactions.

I’ve been there. You make more money than your friends who are teachers or journalists but the hours are objectively worse. It’s very easy to slip in the mindset “I work more so I should be entitled to enjoy myself a bit more.” This misconception is also known as “work hard, play hard.”

Again, you could do that. In the end, you will have little savings and possibly health issues due to a burn-out. Instead, enjoy the high-income salary by stashing half of it in a locked account to give yourself the freedom to live.

Track Your Spending Habits on a Net Basis

This will sound obvious but there is nothing like running the numbers on a piece of paper.

Most people know that a £10,000 salary increase does not amount to a £10,000 lump sum that you can spend. There are taxes and national

insurance/social security contributions that reduce disposable income. Part of your increase will also be absorbed by inflation: you will spend more just to keep the same living standards.

Once you have deducted those costs, the amount you end up with is a lot closer to reality. That number is the theoretical disposable income gained from that salary increase. The amount of disposable income could easily be half the gross amount of your salary increase. Depressing? Don't worry, everybody has the same conundrum.

Chances are that by running the numbers, you will truly appreciate how much you gained and how much you have to spend. Realizing that the increase is not that significant on a net basis should make you think twice before splashing large sums of cash during your next visit at Selfridges!

Cover the Basics First

What will you do with this new money?

I find that one of the worst things in life is to have regrets. I'm talking about spending your money because "I only live once and money is meant to be spent." That's true but there is a good way and a wrong one.

The right way is to cover the basics first. Here are a few examples in no particular order:

- **Contribute to your pension pot**: if your pension contributions were lower than anticipated or did not match your expectations, it's time to remedy this and boost the value of your pension. You know that your future self will hate you for not doing it.

- **Spend to save money**: it's better to carry out repairs as soon as possible before the situation gets worse. If there is a leak in your bathroom, get it fixed now. If your car needs revisions, do it now. Those costs will not disappear overtime and dragging the issue could cause further damage, which could require more money to fix the same issue.

- **College fund**: school is expensive. Students loans are a ticking bomb. Direct some money into a college fund or dedicated savings account. You might not have kids now but this cash will become handy sooner than you think.

The idea is to use that extra cash to cover some essential expenditures that you have so far neglected for one reason or another.

When I started receiving a year-end bonus, my first step was to save the full amount. That was a good step and an improvement from spending everything! But I realized that I could fortify my financial situation by

taking advantage of unused allowances for pension contributions and tax-free savings accounts. I also paid down expensive debt I had taken out to buy a car (which was a completely unnecessary purchase).

Do Not Take More Debt

Higher income means that you can take on more debt. Banks view you as richer and therefore your credit worthiness increases.

Or at least, that's the theory.

In reality, taking debt will be a step back. You should not have to as you are now making more. Start by paying the most expensive debt and then build a cash buffer. The only debt you can take is a mortgage. And that's only when you have at least a 20% downpayment and you stick to a reasonably sized-house (do not increase your budget to purchase a bigger home because you just got a pay increase).

When taking on new debt, things can easily spiral out of control. First, few people actually take into account the interest costs and reduced cashflow in assessing the true impact of debt on a budget. Second, if you can truly afford something, with the exception of a house, you should be able to pay it cash.

I made a few financial mistakes in the past but that's one that I have always avoided. I never took a personal loan or increased my credit card spending because I could "afford it."

Gradually Improve Your Lifestyle

It can be hard to stay motivated and to perform at work when you are not enjoying the rewards of your efforts. Paying debt and then saving are not particularly fun activities.

While this is the right way to spend your cash, it should not result in undue pressure. You don't want to feel so stressed about financial commitments and obligations that you just decide to quit and spend everything. In other words, you have to gradually release some of the pressure and indulge yourself moderately.

This is where the balancing act can become difficult. A strict but solid rule of thumb is to spend money on an item if your pay increase is at least 10 times the amount that you intend to spend. Therefore, you should only buy the latest iPhone, which approximately costs £1,000, if your pay increase was £10,000.

And this treat should only come once you have paid down debt and met your other financial obligations.

More Material Things Do Not Increase Happiness

Good news, there is light at the end of the tunnel!

The older you grow, the higher your income, and the more you realize that your happiness is not a function of how much stuff you accumulate.

There is an enormous difference between making £25,000 and £200,000 a year. The difference from £200,000 to £400,000 does not provide you as much relief, happiness and sense of a purpose.

Don't try to prove that you are more successful or wealthy to your friends and neighbors by showing off and flaunting your expensive possessions. It just shows that you are insecure, it attracts problems and it causes jealousy. A bad mix.

As soon as you stop measuring your happiness and success in terms of purchased goods, you will experience a sense of relief. What matters is spending time with friends and family, being nice to other people and maintaining a good health. It sounds cliché but that's what most people want. The few people who would rather take the money are likely to be ones thinking that they can buy those things. Unfortunately, they are very wrong.

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You can find *Dangers of Lifestyle Inflation* on The English Investor. The English Investor, a 30 something millennial-finance-lawyer-turned-blogger, is saving, investing and seeking new opportunities. His blog is a place to share ideas on savings tips, investments propositions and other money hacks that will help all generations be more financially secure.

Still the Most Important Piece of Financial Advice You'll Ever Receive

—by Joshua Becker

I majored both in Banking and Finance from the University of Nebraska. (I don't talk much about it as my career took a different route shortly after graduation.)

And yet, despite having a college degree in money, I lived most of my life with financial discontent, always surviving paycheck-to-paycheck, despite several pay increases early in my marriage.

When more money came in, more money went out. My credit card statement seemed to often be simply a mirror of my paycheck.

As the cycle continued year after year, I found less opportunity to blame my financial stress on an entry-level income. Sure, money is tight when you're just starting out. But at some point, the reality of my financial pinch had to be blamed on me—not employers, not rising housing costs, not previous generations, not failed political leadership.

I was solely responsible for my financial well-being. And clearly, my existing habits were not working. If I was ever to get ahead, something would need to change.

There are, of course, only two possible remedies for an unsustainable financial situation: 1) Either you make more money or 2) You spend less.

Most of us automatically assume the former is the key to improvement. If we could make more money, we'd get ahead financially. And while

there is some truth in that statement, I stand as proof that's not always the case. Maybe you do too.

I would like to submit that the latter option is most often the easier to implement and longer-lasting in positive effect.

Spend less is the most important piece of financial advice you'll ever receive.

Every financial advisor I have ever met begins with that advice as the foundation for freedom. It was the same thing my parents told me, and almost every person I looked up to in the financial world.

The most essential foundation for financial freedom is to spend less than you earn.

If you cut back on your spending, you'll be able to get out of debt, build an emergency fund, start saving for retirement, or find more space for generosity.

Why then is this step so hard to implement?

In a country where 76% of us live paycheck-to-paycheck and the average American between the ages of 18 and 65 has $4,717 of credit card debt, the message of "spend less" is clearly having a difficult time gaining traction.

One reason I believe spending less is such a difficult step for many to take is because the solution sounds unattractive to so many. Buying less sounds a lot like taking a step backwards in life. In a world where success is often defined in material acquisition, spending less sounds boring, unfashionable, and destined for ridicule.

And that's what I used to think too—until I actually tried it.

Twelve years ago, I made the intentional decision to own less and buy less. It has turned out to be among the best decisions I have ever made in my life. As a result of paring down most of my possessions and determining to only buy things that are actually needed (rather than everything I ever wanted), I have found my life improving in very significant ways.

Now that I own less and spend less, I have more time, energy, and money available to me than ever before. Because I own fewer things that need to be cared for, I spend less time cleaning, organizing, and managing. I have more opportunity than ever before to pursue my greatest passions in life—however I decide to define them.

Rather than running up a credit card bill by chasing every new product or fashion line sold at the department store, I am able to invest in the things that make my life worthwhile and significant.

In this simple decision to buy and spend less, financial discontent in my life has been resolved.

Spending less provides the foundation for financial freedom. It can also provide a pathway for a career change or escape from the unrelenting desire to earn more. Financial relief can even improve our marriages and our sleep.

There's a reason ten out of ten financial advisors recommend it.

Of course, simply spending less may not be the solution to every financial problem that we encounter. But it is the solution to most.

If you are experiencing financial related stress, spending less is probably the most practical solution to resolve it. And the road to relief may in fact be more appealing than you think.

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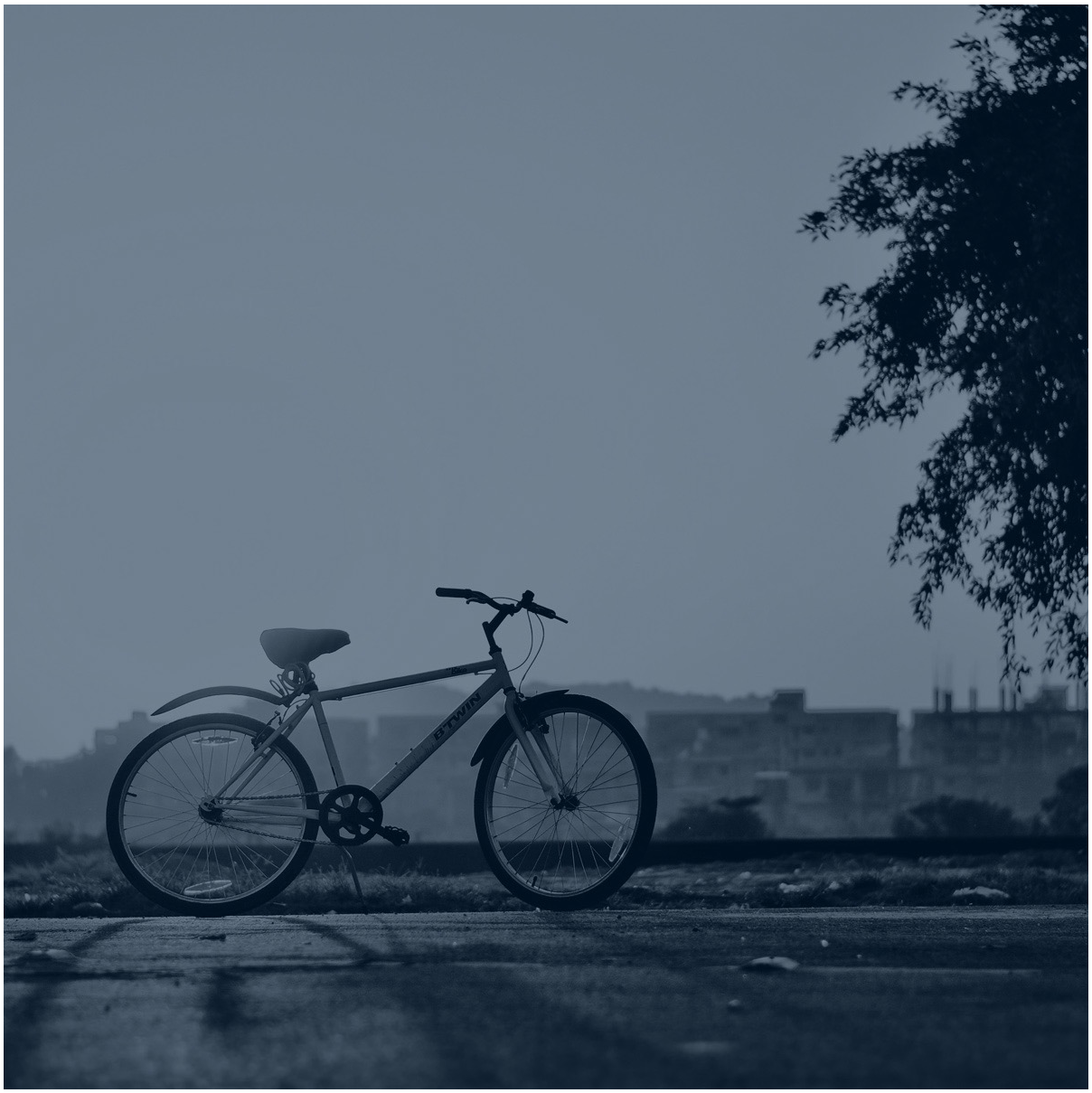
Joshua Becker is the founder of Becoming Minimalist, a website read by over 1M people every month focused on helping people own less and live more. He is the author of *The Minimalist Home* and creator of Simple Money Magazine.

Comparison Is Good

—by Dave at Accidental FIRE



“All right boys, are you ready?” he said confidently to us, with a determined smile. I looked at my friend Brian, smiled, and said, “Ok I guess it’s game on with these guys”.

We were on our bikes in a huge event called Ride The Rockies which is an annual bike ride across Colorado. It’s six days of riding, each around 60 – 100 miles. And since it’s Colorado, that means tons of huge mountains and long uphills. We were about to start a massively long 22+ mile climb to the summit of Grand Mesa, the largest flattop mountain in the world.

That’s right, more than 22 miles of climbing on a bike, with an average gradient of 5%. For the fastest riders including professionals that means at least 2 to 3 hours of continuous uphill.

The guy who just said “are you ready?” was one of three guys we had just met in the past hour while riding. They seemed cool and we were getting along great with them on the flat roads outside of Grand Junction leading up to the climb. We all seemed equally fit and fast.

But now it was time to go uphill for a few hours, and they clearly wanted to crush it. So we started crushing it with them.

Then I immediately started thinking about food.

Comparison vs Pancakes

Ride The Rockies is a race, so there are numerous rest stops along the way, with copious food, water, and port-a-potties.

I like the rest stops because I like to eat. When you're burning about 10,000 calories a day, putting those 10,000 calories back in is most of the enjoyment.

It was clear our three new friends were determined to get the best recorded time they could up the mountain on Strava, the wildly popular social media app that allows you to record your rides and compare your times to others.

As we approached the first rest stop I could see the infamous *"Dan the Pancake Man"* was there. He cooks up endless stacks of pancakes on a trailer behind his truck.

I reminded my two friends that *pancakes are good* and we should stop. They blessedly agreed. We informed our new friends that we were going to stop at the rest stops on the way up, and one of them said, "Don't you want to know how fast of a time you can put up on the climb?".

Well, to be honest *I did* want to know. But just not that particular day. Comparison could wait.

Sometimes It's Good To Compare

You've likely heard the advice to stop comparing yourself to others. Quotes like "comparison is the thief of joy," or "compare and despair" are common. And we've all heard how social media is making people depressed because they compare their lives to the best parts of other peoples lives.

While I think these things are mostly true, I also think comparison has lots of benefits *if approached the right way*.

Comparing yourself to someone else can be inspiring by showing you what's possible.

When you see someone earning and saving way more than you, or crushing it in real estate while you're floundering, it's easy to get depressed. But with the right attitude you can *frame their success as a goal*.

Roger Bannister broke the 4-minute mile. Soon after he did it numerous other runners did as well, because he showed them what was possible. They didn't get depressed at comparing themselves to him, they used his achievement to rise to his level.

When I look at the fast times on Strava segments in my neighborhood it doesn't depress me, it shows me how much better I can get if I keep

training. Especially when I know the dude who put up the time. Usually he's just an average jabroni like me.

Comparison with someone else can also bring out what I call "positive competitiveness."

Competitiveness has negative connotations because it's often associated with ruthlessness or wishing failure on others. Positive competitiveness to me just means wanting to achieve the same level of success as someone else, *but also wishing them further success*. Because if they achieve even more success then your positive competitive nature will spur you on to do the same, and the cycle repeats.

It's like a symbiotic relationship of achievement. When you see someone ahead of you it's best to say *"I'm grateful for what I've accomplished, and I'm working on getting to that next level"*

It's best to avoid using the neighbor with the $5 million net worth and the 6-figure side hustle for competitiveness. Pick someone who is slightly ahead of you in a certain measure, and use that person's success to spur you on.

Your Past Self

The best kind of comparison is the comparison with your past self. It's probably safe to say that none of us are trying to get worse at life, we're

trying to get better. The only way to measure that is to compare to your former self.

Are you getting better at saving? Are you earning more? Do you find it easier to resist the allure and trappings of lifestyle inflation? These are the comparisons that you need to be looking at to help you get to financial independence.

I think it's almost always good to compare yourself to your former self, assuming you want to improve. Sure, as we age comparing our physical performance or looks to our former self could bring sadness or depression, so there are some caveats. But if you approach aging with a stoic mindset you should expect those things to happen, and maybe even enjoy them. *(I'm working on this...)*

Conclusion

So perhaps the title of this article is a wee bit click-baity. Comparison is not always good. If you're a person who is extremely self-critical and hard on yourself as I have sometimes been in the past, you might want to steer clear of comparison.

But I've found comparison to my old self the best way to improve, and comparison to others very helpful if I pick the right measures **and go in with a positive mindset**.

Those guys we met at Ride The Rockies wanted to spend the whole event smashing it and comparing their times to others. I'll admit I enjoy doing that, but there's a time and place.

After all, comparison is human nature and it's silly to pretend you can completely cease doing it. But what you can do is approach it as a tool for inspiration, positivity, improvement, and gratefulness.

And it might just help you get to financial independence faster. Just have your pancakes first.

. . .

Dave is a personal finance blogger, avid outdoor sports junkie, geographer, and teacher. He reached financial independence and semi-retired in his mid-40's through hard work, smart living, and investing. He writes about the links between discipline, fitness, habits, and mindset, and how they all affect your finances. He also believes personal finance needs more laughter. *Comparison Is Good* originally appeared on his blog, Accidental FIRE.

How to Save 70% of Your Income

—by The Value Boss

The reason I can write an article titled "*How to save 70% of your income*" is because I did save 70% of my income. Last year (2019) I saved 71.5% of my after tax income. And I did it on an average American individual salary. Looking at how and why I saved 70% of my income will help you do the same.

Why I Save 70% of My Income

Why would anyone want to save so much money? You need a reason to save your money. Growing up, my parents had minimum wage jobs but were great at saving. They tried to instill frugality on me, but I didn't pay attention. "Why save money?" I thought. I can just put anything I need on credit and I have a job that pays me every 2 weeks.

That mentality led me to many hardships and disasters. Without a reason, I would still be living paycheck to paycheck thinking everything will eventually get better. News flash, nothing **JUST** gets better. My life only got better because of changes **I** made.

So why do I save 70% of my income? Well, I do it so I can reach financial independence. The more you save, the faster you get there. Once I heard about financial independence and retiring early (FIRE), I had a reason to save money.

The idea that you don't **have** to work 40+ hours a week forever gave me enough passion to start saving as much as I can. But

achieving FIRE doesn't have to be the only reason to want to save 70% or more of your income.

Saving lots of money also gives you just in case money, or F-you money (freedom). Freedom to choose a job you like, or freedom to leave a job you hate. Freedom not to be scared to start new ventures or take on new risks.

Saving lots of money also saves you even more money. Having a decent down payment on a house lowers your mortgage **and** avoids having to pay additional insurance (PMI). Paying for a car with cash saves you thousands of dollars that would have gone to interest with a loan. Having an emergency fund allows you to pay for your broken water heater with cash instead of putting it on your 19% interest rate credit card.

There are plenty more good reasons to save lots of money. It makes you wealthier, makes you happier, and gives you less stress which leads to being healthier. It just makes you better, period. You want a solution to fix many of your problems or concerns? Save money and most issues will go away.

How to Save 70% of Your Income

To get anywhere near a 70% savings rate, you need to tackle the big 3 expenses: housing, transportation, and food.

Housing: House hacking is the most powerful way to save money, hands down. If you were to buy a 3 or 4 unit building and live in one unit and rent the other 3 out, you could potentially turn an expense into an income stream. People that do this are actually getting paid to live!

If being a landlord doesn't interest you, there are plenty of other ways to save lots of money in the housing category. You could get a roommate or roommates. That could cut your costs in half or more. You could practice geoarbitrage. Not all locations cost the same. Moving to a low housing cost area can save tons of money.

The easiest thing you can do to save money on housing costs is live within your means. Don't buy a home based on how much you are able to borrow. Don't rent a place that is higher than average. Carefully choosing your living situation by cost, instead of wants will increase your quality of life exponentially.

Housing is most likely your biggest expense. If you were to focus on this expense, and only this expense, you could get to a 50% savings rate, no problem. Without working on housing expenses, it will be very difficult to save 70% or more.

Transportation: Coming in at the second most costly expense for most people is transportation. There are many costs that come with owning a vehicle. Most people just think about the car payment and fuel as their costs. But there is also insurance, maintenance, repairs, registration, etc.

The IRS allows people that use vehicles for business purposes to deduct 58 cents per mile. The average American commute is about 16 miles. Round trip, it's 32 miles. So it's pretty much costing over $18/day in automobile costs for the average American to go to work and back. That is insane! And that is just for an average commute. There are plenty of people out there with double or triple that commute!

You might be thinking, "There is no way it cost that much to drive a car." I thought the same thing when I first heard this. But I read some more stuff and did the math. It does cost that much. If you factor in fuel, purchase price (this could be how much you bought it for, or what your car payments are, or how much your car depreciates), interest if you have a car loan, insurance, wear and tear, maintenance, repairs and registration and divide that by how many miles you drive, you will see it costs a lot more than you think. Do you think the IRS would give you more of a deduction than is necessary?

So how can we save money on our transportation costs? The greatest impact would be get rid of your vehicle. It sounds extreme, but we rely on automobiles way too much. If you live close to everything you need and want, you would not need a car. You could walk, bike, or take public transit. If you want to save $18/day or more, get rid of the car.

Of course, that's not the only thing you can do. Maybe you can reduce the amount of vehicles in your household. Do you really need 2 or more cars? Eliminating one vehicle could save you thousands a year.

Even if you do keep a car or two, there are ways to save lots of money. First of all, buy used cars. Find a good, reliable used car that you can keep forever. Buy a car you can afford to pay with cash. If you need to finance a car, you can't afford it.

Gas efficient vehicles go a long way when it comes to saving money. There are plenty of great cars out there that get excellent gas mileage. Make sure you also take care of your cars. Learn to check the fluids and be able to inspect for possible issues. Never skip an oil change or maintenance checkup.

But the best thing you could do, besides get rid of your vehicle, is to live close to your life. Your life is work, family, friends, groceries, recreation, etc. Living close to all of these is excellent! But if you can only live close to one or two of them, choose the one you frequent most (probably your job).

Food: Third on the expense list would be food. We have to eat, right? It's a necessity to everyone and a pleasure to most. Many people spend too much at the grocery store and way too much when eating out. We can combat this by doing one thing, cooking or preparing meals at home.

Cooking or eating at home more often saves money in several ways. The main way is that you will go out to eat less often. People love to eat out! Food is cooked and served for you and the food is great. But you can cook the same food at home for way less money.

Also, cooking or preparing food at home will reduce your grocery bill. Grocery bills tend to get big because of processed and ready to eat foods. Making your own meals at home doesn't require ready to eat foods. You can purchase fresh and delicious ingredients that cost less than all the processed stuff. Also, stay away from name brand foods. The store brand product is just as good and half the price of the name brand product.

Other: There are plenty more expenses in your life. Recurring expenses such as utilities, phone, cable, insurances, taxes etc. should all be analyzed. Do you need cable? Do you need unlimited phone data? How much does that daily coffee cost you a month? Do you really need another shirt?

To get to a 50% savings rate, you need to cut the big 3 expenses. But to save 70% of your income, you need to look at the smaller expenses also.

Another Way to Save 70% of Your Income

If you don't like all that cutting expenses talk, you are in luck. That is not the only way to save money (although it is a great way). You can skip all that if you'd like and just make more money!

You can get a better job, ask for a raise, work more hours, work weekends, get a side hustle, go for a promotion, learn new skills, get

more education etc. If you don't want to reduce your expenses but still want to save lots of money, you have to earn more income. Lots more income.

If you make $40,000/year and spend $40,000/year, you need to make an additional $40,000/year to get to a 50% savings rate. You would need to double your income to $80,000/year to achieve that. It is definitely possible, but not easy to do.

Cutting expenses is easier than doubling your income. (Doing a combination of cutting expenses **and** increasing income is the best way to save 70% or more of your money)

How I Save 70% of My Income

Like I said, I saved just over 70% of my income last year. The only way I know this and can analyze it better is because I keep track of my spending. I have tabs on every category. No matter how you do this, you've got to do it. Use a spreadsheet, download an app, write it in a notebook, anything. It's not a budget, just jotting down what your spending and where you are spending it.

Alright, so here is how I did it:

Housing: I own a home that is under 1300 square feet. That accomplishes 2 direct objectives; house price was a lot cheaper than an

average American 2000+ square foot home and my utilities are a lot cheaper than the same average home. Buying a home within my means put me ahead of most people financially.

Transportation: I have had the same car for 17 years (since 2002). No car payment for 14 years. It still runs great and most likely has several more years left. I take care of it, always check the fluids, tires etc., and only drive about 5000-6000 miles a year in it. How do I drive so little? I live somewhat close to work and use a bicycle often for leisure, errands, and meeting up with friends.

Food: I'm fortunate to have a job (casino pit boss) that provides us with food while working. The food is edible at best, but I make it work. I also only buy fruits that are on sale, cook at home, and eat primarily good healthy meals. *Contrary to popular belief, healthy food is NOT more expensive.* I also don't go out to eat as often as I used to. I go out about twice a month and I refrain from ordering $10+ drinks. Going out to eat less keeps costs way down and still keeps going to restaurants fun and fresh.

Taxes: I put as much money as I can into tax advantage accounts such as a 401k, IRA, and HSA. Doing this lowers my tax liability which saves me lots of money.

Quit addictions: I was a smoker for about 20 years before quitting, was a problem gambler and now don't even recreational gamble, and used

to get drunk every other day for well over a decade. Quitting those 3 habits has saved me tens of thousands of dollars in direct costs and many more in indirect costs.

SINK: I am a SINK (**S**ingle **I**ncome **N**o **K**ids). The idea of whether being single is easier financially is still debated, but I believe it is. Having to pay all the bills alone can get expensive, but only if you over extend yourself. But I didn't. And of course not having kids saves me lots of money also.

Other: My utilities are low because of my smaller than average house and my despise of wasting resources. TV is a huge waste of time so I have no cable costs, just an antenna. I have plenty of clothes to last me years. My phone bill is only $15/month. I make coffee at home etc.

Fun Stuff: Cutting all the expenses above allows me to spend money on things I enjoy and make me happy. I don't enjoy making $500 payments on a car that just gets me to work and back. Eating overpriced unhealthy food doesn't make me feel alive. I'd rather spend my money on things that I do enjoy and do make me feel alive such as: travel, hanging out with friends and family, bicycles, vacations, water activities, learning, exercise, and anything outdoors. Reducing major expenses allows me to spend on the things I love and still save 70% of my income.

Conclusion

Saving money can sometimes be seen negatively in our society. Declining to go to an overpriced event that just doesn't seem fun can be taken as either you are being cheap or frugal. Both of which have negative connotations.

But it is just like back in high school when a friend would decline to go out because they had to do homework. They would be made fun of and called names. Then that kid ended up a success, while the other kids ended up broke and becoming losers. I know because I used to be that loser.

Be that kid that studies while everyone else is not. You'll be whistling all the way to the bank!

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The Value Boss is just an average man with extraordinary skills in finding value in everyday life. The goal of his blog, The Value Boss, is to increase readers value in things like finances, health, consumption, lifestyle, and even entertainment subjects such as casino gaming. Learning from his past, he now has zero debt, a six-figure net-worth, excellent health, is on a path to early retirement, and has never been happier. You can find how he saved 70% of his income on his blog.

Money Mentor: Sharing Ideas with Someone You Trust

—by One Frugal Girl

Where do you go when you need to talk about money? Do you have a money mentor in your life? A trusted source who can listen to your financial questions and provide you with monetary guidance?

It doesn't matter if you are financially savvy or have absolutely no idea how to manage your money. We all need a way to bounce ideas around with someone who is willing to listen. A money mentor allows us to talk about money matters and financial decisions without judgment or worry.

Money Mentor

What is a money mentor? A money mentor is a friend, family member, or coworker who openly talks about money. A financial companion who shares ideas about money management, budgeting, spending, and saving.

A money mentor shares their knowledge and experience. They help us think through difficult financial topics and questions. By learning about financial experiences we can make better, more informed decisions.

A money mentor can act as a sounding board for questions like:

- Does it make sense to save for retirement while paying off my student loans?

- How much should I save for a downpayment on my first house?
- What is the best way to ask for a raise?

Money mentors are not trained, financial advisors. They do not charge fees. They are simply close friends, companions, and financial enthusiasts who allow us to think through money matters with ease.

Finding a Money Mentor

Very few of us feel 100% confident and comfortable with our financial decisions. We worry about spending, saving, debt, and retirement, but we rarely discuss our financial concerns. As long as money remains a taboo topic most of us continue to remain silent about financial matters.

Unfortunately, closing the door on financial conversations forces us to make vital decisions in the dark. We take our best guesses rather than openly discussing our thoughts and ideas with those who can guide us.

Wouldn’t it make more sense to talk to a trusted source about our financial concerns? Wouldn’t it make more sense to find a money mentor?

Easing Financial Anxieties with a Money Mentor

Why don't we openly talk about money? Why is money still a taboo topic? Discussing financial topics can be extremely difficult, downright scary, or absolutely anxiety-inducing. Unfortunately, we live in a world where many people equate net worth with self-worth.

This can lead many of us to feel embarrassed by debt, low salaries, or bad financial decisions we've made. When we discuss financial figures we open ourselves up for comparison. We worry that others will view us as less important or less capable.

But it is this shame and embarrassment that leads us to make financial mistakes in the first place. When we are ashamed to speak up we cannot learn, grow, or do better.

When we don't talk about money we allow ourselves to create unnecessary mistakes. We make bad choices. We fail to negotiate our salary before starting a job or fail to ask for a raise we deserve. Perhaps we've spent money on toys we didn't need or feel guilty for wanting to quit a high paying job.

Talking about money benefits everyone involved. We often think we are the only one who doesn't know the answers, but there are many others who are also confused.

Feeling Vulnerable and Exposed

If you've never talked about money before, it can be difficult to muster up the strength to openly discuss your finances. It helps to begin with an honest conversation.

A friend of mine recently reached out to say, "I'm feeling *anxious* about money right now." Using the word "*anxious*" helped us tread into financial discussions slowly and cautiously.

My friend wanted a money mentor who could support her concerns and not pass judgment on the financial mistakes she'd already made. More than anything she was feeling embarrassed by her debt. It's important to acknowledge these feelings so we can move past them.

When we allow ourselves to feel down and embarrassed, we can end up wallowing in our emotions rather than looking at ways to make things better.

This is why a money mentor can be so valuable. They can help us see that our value is not just measured in our bottom line. They can act as emotional support when we are struggling.

Sitting in silence wasn't helping and I commended my friend for speaking up and asking for help when she needed it. I sent her link after link of debt blogs to help her see that she was not alone.

Those links provided proof of others who were burdened by debt. I encouraged her to read as many stories of success that she could find and even to reach out to bloggers for guidance.

How Money Mentors Can Improve our Financial Success

We need to share our wisdom and feel free to ask questions that can help us improve our financial success. This is especially true for women and minorities.

When we discuss money we can find out if we are underpaid and under-appreciated. We can learn the true value of the work we perform on a day-to-day basis.

When we talk about money we can learn from other perspectives. We can gain the knowledge to overcome bad habits and ultimately forge a better financial path.

Money Mentors Help Us Talk About Money

Money is still a taboo topic in much of America, but a trusted money mentor can help us step through big financial decisions. When we talk about money we open the floodgates for financial success.

Here is an example from my real life. Two of my friends were interested in buying new houses. The first friend immediately told me the price

range for the house she wanted to buy. The second friend left out the price entirely.

The first friend clearly felt comfortable talking about money. While the second friend purposefully left this information out of the conversation. Why?

- Was she worried that I would judge her decision?
- Does she think no one needs to know?
- Does she simply think it's a taboo topic that shouldn't be discussed?

Maybe that friend knows everything she needs to about buying a house. Perhaps she is well versed in mortgage options and financing decisions. I don't know.

How One Financial Conversation Turned Into Many

I do know that my other friend and I openly discussed the differences between thirty and fifteen-year loans. I sent her mortgage calculators, ran the numbers, and evaluated different purchasing scenarios.

We discussed her desire to avoid PMI (primary mortgage insurance) and the value of saving up for a larger downpayment to avoid extra costs. I

also talked about my own experience with buying homes and refinancing them.

My friend and I didn't create a formal money mentor relationship. We just started talking about money and financial decisions. That one conversation turned into many more over the years. Since that first talk, my friend and I have gone on to discuss wedding expenses, buying a second property, and early retirement.

Money Lessons From Money Mentors

A money mentor is not a specific title or job. In fact, you don't need to tell anyone that you want to be a money mentor or that you need one. You simply need to start talking about money with someone you trust. Once you open the door other questions and conversations are sure to follow.

One day my husband mentioned the power of compound interest with a group of twenty-year-old coworkers. He ran a few simple calculations and quickly demonstrated the power of saving when you are young.

Ever since that conversation his coworkers now turn to him with financial questions. In the past few years his teammates have asked:

- What type of health insurance should I buy?

- How much should I save?
- What should I do with excess money I don't need?

If you have financial knowledge, share it with those who are younger than you. If you are younger and looking for advice, ask a trusted friend or companion for guidance.

Avoiding Specific Facts and Figures

When searching for a money mentor you don't have to ask about specific financial facts and figures. In the example above, my friend didn't need to talk about the purchase price of her home. We could have discussed financing matters without discussing specific numbers.

If your money mentor is older than you simply ask, "What do you wish you knew about money when you were my age?" Other helpful questions include:

- What is the best decision you've made in your career?
- Have you ever negotiated a higher salary or raise?
- Do you have plans to retire at an early age?
- What was the best or worst financial decision you've ever made?

- How have you continued to grow in your career?
- Did you have a money mentor to guide you in making big decisions?
- Did anyone help you make financial decisions when you were younger?

We can talk a lot about money without providing specific financial details. The goal is to talk about money as though you are talking about the weather. You want to create an open, relaxed atmosphere where you can discuss money matters without judging or feeling judged.

Who Should Be Your Money Mentor?

You don't have to limit yourself to one money mentor. In fact, I suggest seeking help from many different people. Your peers can be a great sounding board for financial questions since they may be going through similar life experiences at the same time.

Older friends, coworkers, and family members can also act as money mentors. They will talk about their own life experiences; specifically what worked, what didn't, and what they wish they had done differently.

Treasure their knowledge. You can avoid some of their financial and career mistakes if you pay close attention to their words.

Finding the Right Money Mentor

Finding a money mentor isn't as simple as looking at someone's house, cars, or toys. Salary and work titles are not always a good indication of someone who is successful with their money.

Remember that just because a person makes a lot of money doesn't mean that person is good at managing it. Finding someone with fancy gadgets, big houses, and expensive cars won't necessarily help you learn about money. In fact, people who look like they have a lot of money often have very little. Many people are actually living paycheck to paycheck or deep in debt.

Search for a person who has goals similar to your own. If you want to become an entrepreneur, seek advice from someone who has created their own company. If you want to dabble in real estate, speak with rental managers and those who have owned multiple homes.

Talk about general financial topics with anyone who will listen and eventually you will find the right match.

Discuss Financial Goals with Your Money Mentor

If you have specific goals in mind, talk about them with your money mentor. If you feel open to discussing your budget, do that too, but don't share any financial figures that make you uncomfortable.

You can provide a range of numbers if it feels necessary. You can say you make “roughly” sixty-thousand or that your rent is roughly $2,000.

But, remember that you don’t need to include specific financial figures to gain better money mastery. The general principles of money management apply no matter how much you earn.

As a money mentor, my goal is not to pass judgment. It simply to talk about the options available and see how my friend can improve her finances from this point forward.

If you have a close relationship with your money mentor, ask them to keep you accountable for the changes you need to make. A friend recently asked me to check in with her regularly and to ask specific questions like:

- How much have you put toward your debt?
- Did you buy anything you didn’t really need this month?

Money Mentors in the Age of the Internet

The Internet has drastically changed the landscape of financial conversations. If not in the real world, at least in the virtual one. When I started writing this blog way back in 2006, the majority of personal finance bloggers were anonymous.

Without a name or face in this online world, I found my home among money nerds. I could openly discuss money in a way I had never experienced in real life. This little blog opened the floodgates for financial conversations.

If you cannot find a money mentor in real-life, search for help online. You can post specific questions to Reddit Personal Finance or search for personal finance blogs to guide you.

Covert Money Mentors: Inadvertently Talking About Money

You don't need to officially declare someone your money mentor. Simply ask questions and covertly learn their financial ways

Whether we realize it or not, we are constantly talking about issues and items related to money. When we meet someone we immediately ask, "What do you do," which inherently implies all sorts of things about how that person's success and salary. We discuss vacation plans and what we did over the weekend. We inadvertently talk about what people buy and how they spend their money.

So while we may not talk about actual facts and figures we spend a ton of time talking about money in a roundabout way. A money mentor will allow us to move beyond these simple conversations to learn more and do better with the money we make.

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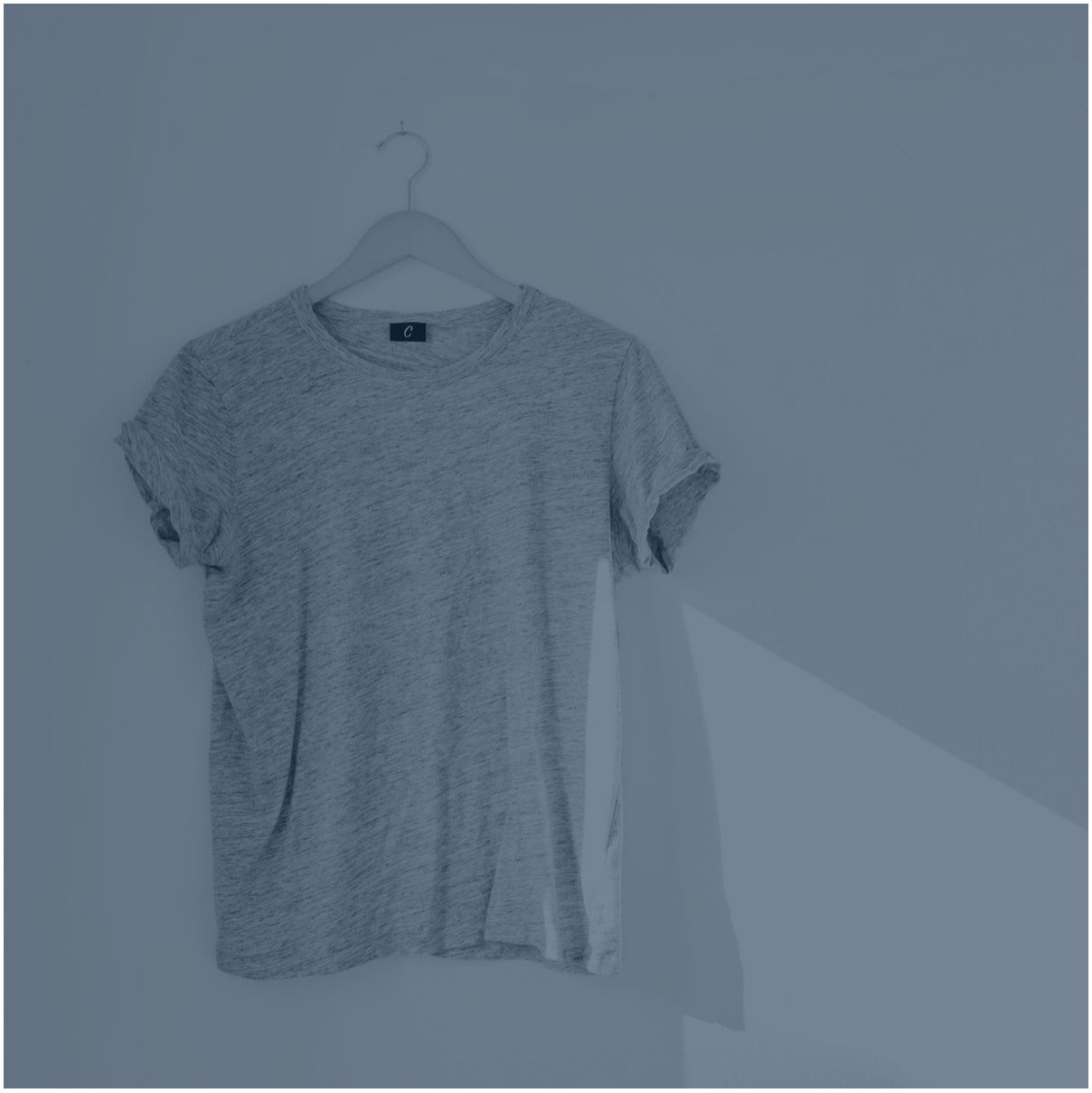
Jewels is a forty-year-old wife, mother, blogger, personal finance enthusiast, optimist, former software developer and achiever of financial independence. This article was originally published on her blog, One Frugal Girl, where she focuses on money mentality, financial independence, minimalism, and family finance.

18 Means for Living Below Your Means

—by Marc Chernoff



Live a comfortable life, not a wasteful one. Do not spend to impress others. Do not live life trying to fool yourself into thinking wealth is measured in material objects. Manage your money wisely so your money does not manage you. Always live well below your means.

But how can you accomplish that? Here are 18 thoughts:

A penny saved is a penny earned. – Benjamin Franklin

1. **Redefine your definition of "rich."** – I remember sitting in a cubicle at my first professional job staring at a picture of an SUV I wanted to buy (and eventually did). Now, I sit in my office and look at the pictures of my kids, and just outside my window I can see the beater I drive sitting in the company parking lot. What a difference a decade makes! To sum things up, my definition of being rich is having enough money to meet my family's basic needs, a few of our wants, and to be able to give some away to others.

2. **Borrow and share. Everyone wins!** – We borrowed a DVD from a friend instead of renting or buying and had a little snack from our own fridge! Way cheaper than using gas to drive to the theater/ rental place, paying for a movie or Amazon Prime, and paying for a snack.

3. **Avoid the mall.** – Going to the mall is not entertainment! We used to go when we were bored. Of course, we usually ended up spending money while we were there. If you need clothes, then shop sales or go to stores that offer name-brands at a discount. You can save a ton on these items if you are a smart shopper. Dave Ramsey says, "Never pay retail!" We probably save $15 to $30 per month by staying away from the mall.

4. **Limit your intake of advertisements.** – Advertising sucks. That's the cold, hard truth. It's engineered to make you feel like you're incomplete, that you have an unfulfilled need, that you're not good enough.

5. **Buy with cash.** – You can't spend money you don't have. Many bank accounts provide overdraft protection, so even with a debit card, it's easier to go over your account balance than you think.

6. **Find a better deal and actually SAVE the difference.** – Regardless of what they sell, if you've switched companies for price reasons, save the difference. Think of phone companies, internet access, cell phones, credit cards, and others.

7. **Adhere to a long-term investment strategy.** – I'm a long-term investor. The stock portion of my portfolio is spread over several mutual funds, a few ETFs and a few individual stocks. Each and every one of these holdings was carefully chosen, after thorough

research. I believe in these stocks and funds. I consider them as my best bet in growing my money – LONG TERM.

8. **Curb your consumerism!** – Have you ever watched how a child can play with a cardboard box for hours, and leave the toy that came in it by the wayside? How is it that children can enjoy themselves without a lot of "stuff," but we as adults feel the need to reward ourselves by buying more stuff?

9. **Stay Healthy! Medical problems drain bank accounts.** – James M. Rippe, M.D is a best-selling author, world-renowned cardiologist, and founder of the Rippe Lifestyle Institute. He explains that if you look at all the risk factors for dying, the one that is most predictive is fitness level. In addition, an older person with high cardiovascular fitness is healthier than a younger person who is physically inactive. By increasing your fitness level, you can actually roll back your biological clock.

10. **Stay in and relax.** – So, think about it the next time you go out. Are you going for with a purpose? Maybe the solution is to not go out at all. Stay home and save! Save up for something you really want or need.

11. **Gradually prepare yourself for a rainy day.** – Even when things are going great, and you feel on top of the world, you must always be prepared for a change. If you take the time and patience to set

yourself up properly, then when things to take a turn for the worse, you will be prepared to handle it. If you live above your means, then when the slightest change occurs, you will not be prepared to adapt. Financial flexibility is more important than keeping up with the Jones'.

12. **Stop competing. Forget about the Jones' altogether.** – If getting rich makes us happy, then why don't countries as a whole get happier as they grow wealthier? They discovered that as a country gets wealthier there's no overall increase in happiness. Why? We continually compare our wealth against that of others. We are competitive and envious. Add to that the fact that Western countries encourage people to strive for more and more, and you have a formula that spins many into depression.

13. **Get out of the "easy street" mentality.** – I think there is too much emphasis on the quick fix or the easy option in today's society. For example taking diet pills to lose weight instead of the "hard option" – exercising and eating well.... money is sometimes being used as a substitute for hard work. Do you think there is an increasing expectation that you can get want you want by throwing money around instead of working hard and "earning" it?

14. **Avoid impulse buying. Buy things you truly need.** – Don't you just love the excitement you feel after coming home with a new TV? Driving home in a new car? Opening the box on a new pair of

shoes? I sure do. But, from watching the behavior of myself and my friends I've found that the new quickly becomes just another item. The excitement of novelty passes quickly.

15. **Time is money. Properly manage your time.** – The fewer tasks you have, the less you have to do to organize them. Focus only on those tasks that give you the absolute most return on your time investment, and you will become more productive and have less to do. You will need only the simplest tools and system, and you will be much less stressed. I think that's a winning combination. Focus always on simplifying, reducing, eliminating.And keep your focus on what's important. Everything else is easy.

16. **Find ways to give without spending.** – Want a quick, easy and (almost) free way to be guaranteed that you'll make someone's day special? Send them a letter. Why not set aside some time this weekend to sit down and write to a few people? If you don't enjoy writing, try buying some nice postcards of your home town. If you've got an artistic streak, why not design your own note cards? You don't have to write a long letter for it to be effective. It's the thought that counts and the personal touch that makes it special.

17. **Don't let greed and deceit get the best of you.** – According to Stephen R. Covey, if you reach an admirable end through the wrong means it will ultimately turn to dust in your hands. This is

due to unintended consequences that are not seen or evident at first. The example he gives in *The 8th Habit* is: The parent who yells at their kids to clean their rooms will accomplish the end of having a clean room. But this very means has the potential to negatively affect relationships, and it is unlikely the room will stay clean when the parent leaves town for a few days. Now, to return to the topic of wealth, I think it is possible to see much of the world's current financial problems as stemming from people who wrongly believe the ends justify the means. My advice? It is fine to aspire to wealth, but don't lose sight of the means to accomplishing it.

18. **Never ever pay retail.** – You can easily save hundreds of dollars a year on clothing purchases by waiting for sales or shopping at discount retailers like Marshalls. Better yet, avoid name brand clothing all together.

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Marc and Angel Chernoff are bestselling authors, professional coaches, full-time students of life, admirers of the human spirit, and have been recognized by Forbes as having "one of the most popular personal development blogs." Their book, *Getting Back to Happy*, is a New York Times Bestseller. You can discover Ways to Live Below Your Means on their blog, Marc and Angel Hack Life.