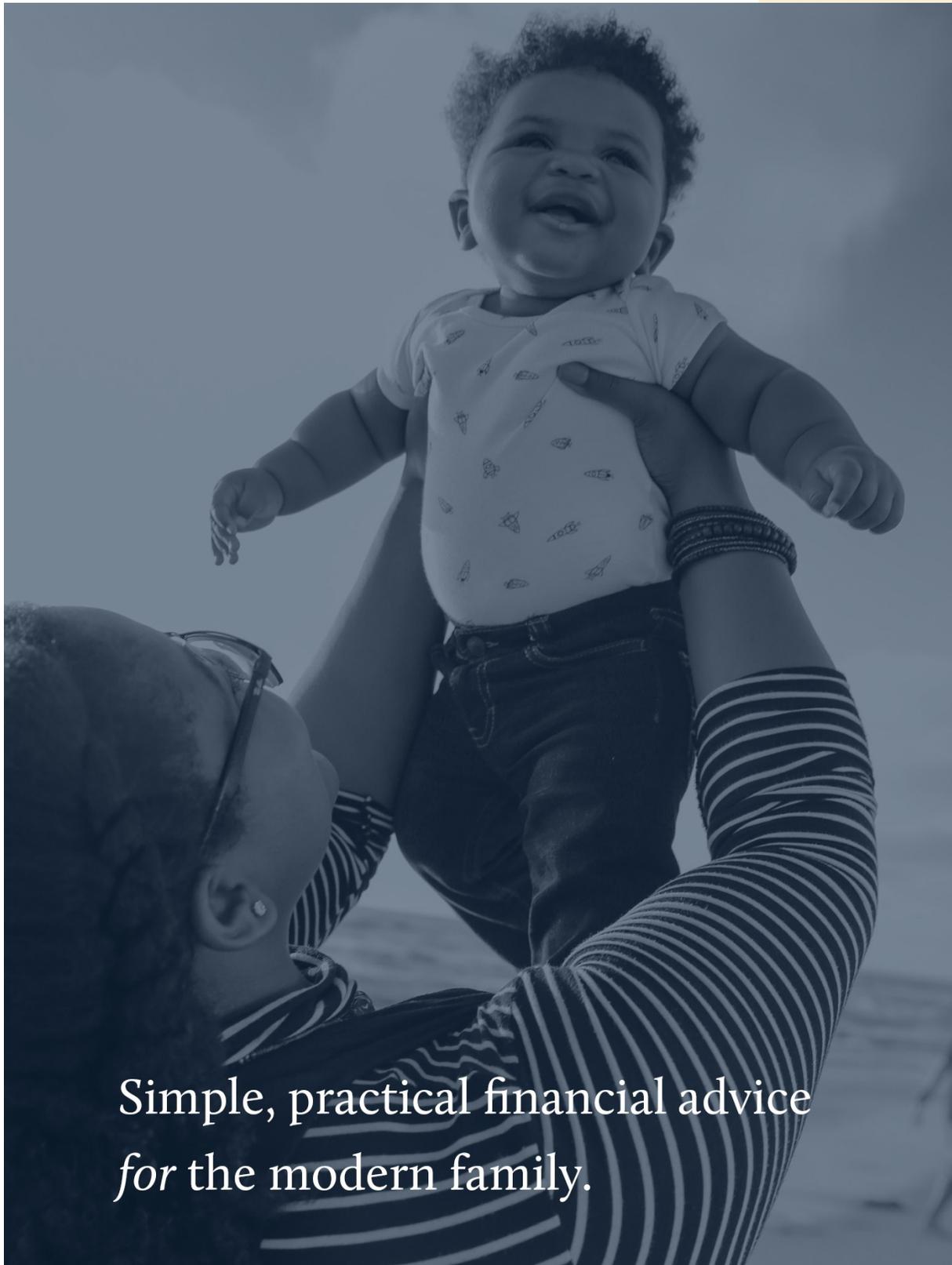


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# *Table of Contents*

*01. Being Rich: The American Dream or a Paradoxical Scam?*

*—by Jeff Fang*

*02. 10 Financial Statistics of the Average American*

*—by Sam Joel*

*03. Financial Zen: How to Get Financial Peace of Mind*

*—by Leo Babauta*

*04. Redefining Rich: How Minimalism Leads to a More Meaningful Life*

*—by Julia Ubbenga*

*05. 10 Ways to Take Control of Your Finances*

*—by Kalen Bruce*

*06. When it Comes to Spending, Focus on Meaning*

*—by Dawn Starks*

*07. 7 Reasons Why We Should Stop Praising Excess*

*—by Joshua Becker*

# *Being Rich: The American Dream or a Paradoxical Scam?*

—By Jeff Fang



Everyone wants to be rich. Whether it's to support themselves, to give back to their families, or to impress their friends, being rich is something that is sought after by all. Few people, however, sit down and actually think about what they want for their future and what they are really chasing. **What exactly is "rich", and is it really all it's hyped up to be?**

Imagine this: you are a senior executive of a wildly successful company and have a yearly salary of \$1,000,000; you own a mansion by the beach with an indoor pool, 3 Lamborghinis, and have a membership to one of the best golf courses in the country. You're rich! Right?..... well maybe, but what if I told you that the mortgage payments on the mansion were \$450,000 per year, utility fees to keep the house running and pool warm was \$300,000 per year, car payments totaled \$200,000 per year, and annual membership fees to the course was \$100,000?

You would be \$50,000 in debt at the end of the year. And that's not counting taxes, food, transportation, and any other luxuries you might want to have. Furthermore, the instant you stop working, you stop receiving paychecks: you are essentially locked into your job. Still feel rich?

Now imagine this: you don't work at a large company, in fact, you don't work at all: you're unemployed by most senses of the word.

However, you DO own three rental properties and a few vending machines that bring you around \$90,000 in tax-free passive income into your bank-account every year. You live in a suburb far away from the city in a modest house which you paid for in cash, you drive a Hyundai, and spend your days doing things that interest you and make you happy. Are you rich?

## The Twisted System

I don't know about you, but I want my life to be the latter. **Unfortunately, society teaches us that being rich is about the stuff that you own.** This leads to a mindset where you make money to buy stuff you can't afford. Get promotions. Buy more stuff you can't afford. And the cycle repeats. This is the "rat race."

School teaches us that the harder you work, the bigger the paycheck. "Go to a good university, take out a student-loan, and get a good job so you can have a great salary." Great motives and seems legit enough, but I have never once heard any teacher talk about how to build passive income streams.

**Big salaries are great, but when you stop working, you stop getting them.** This means that the education system is either teaching kids to work and make more money until they die, or to work for a company that will take care of them in retirement. Unfortunately, fewer and fewer companies are offering pension

plans. So schools are teaching the majority of students to work until they die.

What is the motivation then? Getting rich! “Get a good job so you can make lots of money and own lots of stuff and be rich!” But, without financial education, prioritizing possessions is a path to certain financial doom.

### **Don't Strive for Richness, Strive for Wealthiness**

So what do you do? How do you break free of the system?

Well, you find ways to make money while you sleep. **This is passive income and this is what sets you free.** If fancy cars and mansions make you rich, then passive income makes you wealthy (and with enough wealth the cars and mansions will come).

Passive income might sound like a fairy tale, but there are actually many forms of it. To list a few:

1. Dividend income
2. Rental income
3. Business

[Financial Samurai](#) gets into it much more, but my take on it is that dividend income is the easiest but with the lowest return, rental income is harder but with more returns, and true passive business income is the hardest but with the highest return.

## How to Make Money While You Sleep

**Dividend Income** comes from investing in stocks or ETFs. This is by far the easiest form of passive income because you literally buy a stock from a company that pays dividends and get paid on a (usually) quarterly basis. The only downside is that typically returns on your money are in the 2%-4% range per year, so not a whole lot.

**Rental Income** comes from owning investment buildings and renting them out. This definitely takes more money to start than dividend income, but depending on your down payment, the returns could be very big! The downside is that not everyone is cut out to be a landlord as it can be extremely stressful and tiring at times.

**Business Income** is the holy grail of passive income if done right. True business income is when you build a business once, and it generates passive income for you forever. Especially in today's online day and age, it is possible to start an online business with little to no money and grow it to a size where it consistently

generates passive income. However, no matter what industry, any successful business will require an immense amount of time and energy to get off the ground.

Of course, there are many more ways to potentially make money like crypto or investing in a lottery or joining MLMs (read: pyramid schemes), but the three above are the most tried and true. There will still be people trying to swindle you when you gun for the 3 passive income types above, but at least they are the most legit kind.

## **How to Start Your Journey To Financial Freedom**

1. The first step is to change your perspective. Be true to yourself and do NOT get caught up in the societal norms of idolizing possessions.
2. Then, start saving! Save as much as you can so you can start building passive income.
3. Spend a little time reflecting. Look deep inside yourself and figure out which form of passive income is the best suited for your personality.
4. Do more research about that specific kind of passive income.

5. Start building your portfolio! The last step is to act!
6. Stay consistent. Remember, no matter what you choose, the best path to success is to stay on track and keep pushing.

If you prioritize building passive income as opposed to acquiring possessions, you are on the right track to financial freedom. So what are you waiting for? Start building those passive income streams now!

...

**Jeff Fang** is a Harvard 2025 student who is passionate about learning, living, and sharing all things personal finance related. He has experience working in the financial industry and enjoys the pursuit of financial freedom. Outside of blogging, he loves to cook, read, and golf in his spare time. You can find more of his writing at [Financial Pupil](#) where this was originally [published](#).

# *10 Financial Statistics of the Average American*

*—By Sam Joel*



## Let's play a little game called "How do your finances compare to the average American's?"

Below I've gathered 10 money statistics about the average U.S. household's finances. And while this data has no actual effect on your personal situation or trajectory, it's still fun to see how you stack up.

I've also shown my own comps. Feel free to play along but remember, it's just a game. Don't get too wrapped up in the numbers — everyone's situation is different!

Let's get to it ...

### The Average American Financial Profile: How Do You Compare?

Most of this data is pretty recent, but because 2020 was such a strange year, some data points are a few years old. There are also a ton of variables that we could pick apart in this data, but for now let's just play along and take the figures at face value.

#### 1. The average gross household income is \$87,864

Well, I'm not off to a great start... My wife and I are already below average in this category. Our household income for 2021 will probably be between \$70 - \$75k, not including investment growth

or rental income. Oh well, we're committed to financial independence so our income is intentionally low!

Interestingly, we do earn more than the median income in this study, which is ~\$62k. You can check out all the study data here with categories and breakdowns ([Average U.S. Income](#)).

## **2. The average balance in a 401(k) is \$106,478**

Woohoo! I'm certainly above average in this category. Just checked my IRA balance (Don't have a 401(k) from my employer anymore) and it's sitting at \$175,684.

This statistic comes from Vanguard's 2020 [How America Saves Report](#).

## **3. The average American \*retirement savings\* is \$407,490**

I like this study a bit better than the last. It's from Personal Capital, which has a more complete overview of people's entire net worth — not just their 401(k) balances. This data is as of April 3, 2021, so it's hot off the press!

The study also breaks down average retirement savings by state, as well as age groups. For my wife and I, we rank above average in

this category for our state, age group, and the general averages. We are on track to early retirement!

#### **4. The average checking account balance is \$10,618**

As of this writing, my wife and I have a little over \$24,000 across our checking accounts. So we'll claim above average for this statistic.

In the [full report](#), it also shows that the median checking account balance is only \$2,000. Which means 50% of Americans have less than \$2k in their checking accounts.

#### **5. The average American spends \$5,102 per month**

Here's a peek inside the [average monthly expenses](#) of Americans. The total is a little more than \$61,000 each year. Keep in mind this is the average, and there's a pretty huge difference between high/low cost of living areas, kids or no kids, etc.

As frugal as my wife and I are, living in LA puts us in the above average expenses group. At least for this year and next! Most of our income will go to rent and travel.

#### **6. The average FICO credit score is 711**

Some good news... The data shows that the national average credit score has increased every year over the past decade! If you want to see how you compare by the state you live in, [all the data is here](#).

I regularly check my credit score with the Mint app. Right now I'm sitting on an 814, well above average.

### **7. The average American has \$6,194 in credit card debt**

I feel like this statistic can be interpreted many ways. In fact, [the full report](#) shows that most people (52%) have a balance of less than \$2,500.

For my wife and I, we keep a rolling credit card debt of about \$2-3k, and our accounts are paid off in full every month. I'm giving us a below average rating on this credit card debt category.

### **8. The average U.S. \*total household\* debt is \$145,000**

This [total household debt](#) statistic covers a broad range of debts like auto loans, home mortgages, rental property loans, student loans, etc. So I guess the argument of "good debt" vs. "bad debt" is open to interpretation here.

Since my wife and I currently have 9 real estate investments, all of which are leveraged with mortgages and loans, it's safe to say we

have above average household debt compared with others. Except mortgages, we have no other loans or consumer debt.

## **9. The average U.S. savings rate is 13.7%**

This is a 2020 statistic, which could be an anomaly because a bunch of households cut down their spending last year in quarantine. The 2019 savings rate was just 7.6%. [See all yearly data here.](#)

My wife and I are definitely below average in this category. But, as I mentioned before, we are coasting to early retirement as our existing assets are compounding quicker than we can save excess money ourselves.

## **10. The average Social Security retirement benefit is \$1,514 per month**

Social Security benefits are very modest. For a medium earner retiring at age 65, it's predicted that Social Security income will replace only about 35% of their prior working income. Dang! A good reminder to take retirement into your own hands and build up your personal nest egg.

Personally, I don't include Social Security income in my retirement projections. I'm still 30+ years away from any benefits, and a lot

can change in 30 years. I just logged into my [Social Security portal](#) and it shows I'm on track for a \$1,742 monthly payment. So I'll put myself as above average for this data point, even though it's kind of moot for me right now.

### **So there you have it!**

How do your finances stack up? Do you feel OK with your situation compared with your fellow Americans? (Sorry to the international readers out there!)

My results are all over the place, in both good and bad ways. I have low income, high spending, larger than normal investments, a weird debt profile, etc. In general, I feel good, but there are definitely some items I can improve on.

What about you?

Lastly, a quick note about comparisons... **Usually I don't recommend comparing yourself to others** — it can lead to unhappiness. So, keep the following in mind when you play games like this:

1. This is just a game. Average stats don't determine your personal success.

2. If you are **above average** in something, take a second to count your blessings and practice appreciation.
3. If you are **below average** in something, use it as motivation to progress and get better. That's what this game is all about — helping improve your situation (and having fun along the way).

...

**Joel** is a 35-year-old Aussie living in Los Angeles and the resident blogger at [budgetsaresexy.com](https://budgetsaresexy.com) where you can find this original [post](#). He loves waking up early, finding ways to be more efficient with time and money, and sharing what he learns with others. Rise Early | Retire Early!

# *Financial Zen: How to Get Financial Peace of Mind*

*—By Leo Babauta*



It's a fact: our finances are one of the things in our lives that stress us out the most. If we're trying for a stress-free life — with stress-free productivity, working and living environments, waking early, morning routines and the like — then we need to address our finances and find routines that will keep the stress of money to a minimum.

First, identify the financial stressors in your life. For many people, these include: worries about debt, paying bills late, not having a financial security net, not having a sense of control over your finances, and arguments over finances.

Let's address these each with some simple solutions:

- Get out of debt. This is often the first necessary step. But how do you do this? Monitor your impulse spending urges to stop the bleeding. Then, use a [debt snowball](#) as a plan to get out of debt.
- Pay your bills as soon as they come in. This is one of the easiest ways to eliminate stress over bills. When you get your power bill, write a check, put it in an envelope, and mail it the next day. Or if you bank online (and you should), go to your computer, log in, and send your electronic payment. To do this, you'll need to develop a bit of a cushion in your bank account, so you always have enough to pay the bills as they come in.

- Make your payments automatic. I've covered this before ... it's a great alternative to the above method. Instead of paying bills as they come in, you can set up automatic payments and automatic savings payments online, so that as soon as your paycheck comes in, your bills get sent out and a certain amount is transferred to savings (or investments). Either method works great.
- Develop a financial security net. This is something you should also do right away. First, if you are married or have any dependents, you should get life insurance right away. Do your research and make sure you're getting the right policy for your needs. Don't get whole life insurance — it's not the smartest investment.
- Second, look at your other insurance to see if it meets your needs, from auto to homeowners to renters and more.
- Third, make sure you have a will — this might not seem necessary if you are young, but if you have any dependents, this is a must.
- Fourth, develop an emergency fund — right away. I know, it's something that everyone advises, but if you don't have at least a small emergency fund, you will never have financial peace of

mind. Build it up to 3-6 months worth, or whatever you need to feel secure.

- Review your finances at least weekly. To get a sense of control over your finances, you have to monitor them. Be sure you're balancing your checkbook at least once a week, to ensure that you don't have bounced checks or debit transactions. Even if your bills are automatic, you'll still want to make sure they're going out. Take the 10-20 minutes every week that's necessary to look at your budget, your expenses, your income, and make sure you've got everything under control. If you've got a partner, do this together.
- Talk about money with your partner. Money can be a huge stressor on a relationship. It's important that you talk about money on a regular basis in a non-emotional way, as hard as that may sound. It's crucial, in fact, to the survival of your relationship. You both have to be on the same page, or you will eventually argue and have major crises about your finances. You need to talk about your financial dreams and goals, your spending patterns, your budget, your income, your savings, debt, financial security, bills and the like.

If you don't already do this, it may take awhile in the beginning, and be difficult. But try to do it as a team, and not accuse each other of anything, don't blame, and try to be positive and

constructive. Over time, it will get easier. At the minimum, devote 10-20 minutes each week to reviewing your finances together, reviewing your goals, and making sure that you're together and seeing eye-to-eye. It will make a major difference in your relationship and in your stress level.

...

You can find more from **Leo Babauta** on [Zen Habits](#), where this originally [appeared](#). He lives in San Diego, California with his wife and their two teenage kids (we have 4 adult kids, for a total of six!), where he loves to eat vegan food, write, run, and read.

# *Redefining Rich: How Minimalism Leads to a More Meaningful Life*

*—By Julia Ubbenga*



Two years ago this weekend, my mind spun with the concept of what it meant to be rich.

I knew the world's definition well. But striving for that wasn't exactly working out for me. The more stuff we acquired, the more weighed down I felt. The more I had to clean, to pick up, and just flat out worry about.

From the outside, my life looked full. And it was, but not with the right stuff. Meaning and joy were being steamrolled by aspirations for more and by misaligned attachments. I felt like the good was being flattened and slowly squeezed out of my life.

Then my ah-ha moment came. Being rich, I realized, has little to do with financial wealth and everything to do with building a life that is full of what makes you come alive. Of making space in your life for what matters.

"Was I rich in what matters?" I asked myself that day. Quality time with my family, silent moments in prayer, beauty, peace, joy.

Or was I rushing through life, too focused on taking care of stuff to see the simple, beautiful gifts surrounding me? Too often, I was missing what mattered. Too often, I was on autopilot, defaulting to

“hurry mode.” The idea of slowing and simplifying was a breath of fresh air.

And so I jumped in. All in. And my minimalist journey began.

Through radically simplifying my life—internally and externally—I’ve redefined the word rich, realizing the things I value most are often intangible.

Over the past two years, my life has become unquestioningly richer through living a more intentional life with less. And I think your life would too.

Here are 5 riches I’ve found you gain by living with less:

### **1. Stronger, “tuned in” relationships**

Living with less will help you tune in to your relationships. Before simple living, I’ll admit that at times I was guilty of treating the people around me as another task to check off my to-do list. Feed the baby. Check. Give the 4-year-old a bath. Check. I felt like there was just too much to get done. I couldn’t really be present during those moments with family because I was usually feeling

overwhelmed and thinking about the next thing that I needed to do.

Living minimally has strengthened these important relationships immeasurably. I'm now tuned in to the needs of my family and able to teach our daughters important life skills like self-regulation and self-care (directly and by modeling). I've learned my husband's needs as an introvert living with four other people in a small space and can help make sure he gets the downtime needed to be present around our family. I'm able to deeply enjoy the people around me and know I'm much more enjoyable to be around, as well.

## **2. White space**

With fewer possessions and commitments, margins surface. You suddenly have white space in your life, which you can now choose how to fill.

I've realized the importance of downtime and, honestly, of intentionally doing nothing. Not in a lazy sort of way, but in the sort of way that rebalances your nervous system, allowing the parasympathetic system to take over. I work to fill this downtime with breathing exercises, mindfulness practices (observing what's going on around me and putting it into words is my favorite), or intentionally listening to whoever's around me.

### 3. Spiritual growth

Simplicity nourishes your soul. It gives you space and time to go inward and learn who you really are.

In my experience, as a Christian, the best way to get to know yourself is by getting to know the one who made you. This means conversing with him regularly—about why he made you a certain way and how he wants you to accept and use the gifts you’ve been given.

Lisa Avellan of Simple & Soul says: “Minimalism isn’t about your stuff; it’s about your soul—the ‘you’ underneath all of the stuff.”

By working to detach from your possessions and clear away the clutter from your life, you get in touch with the real you. And, with this self-confidence and self-knowledge, you can make your biggest impact in the lives of those around you.

### 4. Reflection

With more time to process the events of each day, you begin to see more purpose behind things that happen. Taking time to connect the dots of life events, whether good or bad, will help you understand their meaning. Reflection helps you reach your personal goals as you identify and adjust what isn’t working.

Through self-reflection, you learn to grow from your mistakes and learn to give yourself grace as you journey through life.

Through reflection, I've been able to realize how little I actually need to be happy. And that while basic possessions are needed, newer and bigger stuff doesn't increase my joy.

## 5. Creativity

A minimalist lifestyle leaves more space for creativity. When your first impulse no longer is to buy something new, problem-solving can require more outside-the-box thinking. Plus, your mind is more at peace and free to think creatively when it's not bogged down with visual clutter.

With more downtime, my mind has been more able to transition into a creative space for writing. Our brains have different levels of brainwave states and our creativity emerges in the alpha or theta brain state. These states require relaxation and lower stress levels (which is why more ideas come to you on a walk, in the shower, or upon waking). If our minds are constantly in doing mode, it's hard to tap into our creative minds.

Ask yourself this today: “Are the things I am rich in things that make me come alive?”

If you answered no, only you have the power to change that. Minimalism will give you more time and space, but you still must choose what to fill it with.

A rich life doesn't mean a perfect life and it certainly doesn't mean a life without trials. It doesn't mean a life where nothing is ever taken for granted or one that's stress free.

But it does mean a life with space for what (and who) you most value. A rich life is a life that you can look back on, day after day, and know that your time was spent well—on what matters.

**Julia Ubbenga** is a freelance journalist whose teachings on minimalism, simplicity, and intentional living have reached thousands of people worldwide through her blog [richinwhatmatters.com](http://richinwhatmatters.com). Julia practices what she preaches in her Kansas City apartment home with her husband and two extremely lively young daughters. You can find this [article](#) and more content like it on [No Sidebar](#).

# *10 Ways to Take Control of Your Finances*

*—By Kalen Bruce*



Finance is all about managing all the activities that include money, but bad money management can give you many life lessons.

It's necessary to keep all records of your financial activities. Being in control of your finances helps you make valuable decisions regarding your finance and it helps you spend less than you earn.

Regardless of level or experience, we are all capable of managing our personal or family finances.

If a person is drowning in debt, unemployed, or both, they may have a hard time controlling their finances.

Tracking your money can be fun. Once you get to know about your incomes and expenses thoroughly, you will feel much more assured while spending your money. Never make money your stress button; it can actually be your happy button.

If you want to have your financials in order, you need to have a solid money management plan, which will become the light at the end of the tunnel, if you're struggling right now.

Try using these ways to control your finances. They lead you to a peaceful life...

## **1. Understand Your Cash Flow**

When you understand your income and expenses, you start spending wisely. Many people don't keep a count of their cash flow.

That's a problem.

Why? Because understanding your cash flow helps you save more money. It is only possible when you spend less and earn more.

There are three possible options to manage cash flow shortage:

1. Earn more
2. Spend less
3. Combine the two

## **2. Set Goals**

There should be a motive to control your finance.

The motive can be some kind of need or want, a dream of some sort that you wish to come true one day.

Many people have goals. Maybe it's your kid's wish for a Disneyland trip. It could be diamond jewelry for your wife. Or a

Rolex for your husband. You've simply got to set some financial goals.

### **3. Cut Down Unnecessary Expenses**

It all comes down to the basics, to reach the goals we discussed, you've got to give up some things.

Big dreams ask for big sacrifices.

Let's say you want to buy your own house in the middle of a big city. Cut expenses to get to your goal.

Traveling in metros and locals, cutting down your travel and entertainment expenses, and saving on fuel and electricity are some ways to reduce your unnecessary costs.

Instead of going out to eat, treat yourself with delicacies at home.

### **4. Start Investing**

It's time that you start channeling those savings into investments.

It might sound a bit overwhelming, but savings alone cannot pave your way to your dream.

We offer a lot of [investing help](#), because investing in stocks, mutual funds, and many other instruments will give you positive results.

You just need to have some financial facts clear and be wise with your decisions. You will need time and patience to get things right. Here, knowledge and patience are the keys to success.

## 5. Increase Your Income

As you already know the basics, in order to improve your finances, either you earn more, or you spend less.

Earning more could be the main ticket to your success.

When you look to earn more money, you've got options. You can ask for a raise, do overtime, try getting a promotion, or consider switching to a higher paid job. Also, there are part-time jobs. Making some extra money does matter a lot.

Everything contributes to your dream. There are jobs you can do [sitting at home](#). You just need to sweat a bit more, and things will improve.

## 6. Calculate Your Net Worth

Your net worth can become a useful tool in determining your economic status and the financial progress from year to year.

First of all, make lists, list all your assets (i.e., savings, real estate, investment accounts, etc.) and lists all your liabilities (i.e., line of credit balance, mortgage balance, credit card balances, etc.). And if you are a business person, don't forget to make two lists, one for your personal finances and another for the money matters in your business.

After that, subtract the total liabilities from your total assets, which will give you the proper net worth of the year.

When it comes to your financial health, you should use your net worth to track your progress from year to year.

## **7. Find the Best Resources**

Knowledge is your best resource, but there are so many other resources out there to help.

Check out our [money and productivity tools](#) to find my top five resources.

All you need to do is to be well informed.

## 8. Use a Budgeting Tool

Managing finance is a bit complicated. Once you get familiar with the idea of personal financial planning, you should put all your knowledge into practice.

First of all, put away your abacus or Casio calculator. Nowadays, many types of programs or apps help you keep track of your savings and spending. These apps will help you in managing and controlling your money safely in one place. [Budgeting](#) helps you in achieving your goals and lessens your chances of slipping into bad habits.

Use all this information to make smarter decisions and achieve all your financial goals.

## 9. Follow a Debt Plan

There are many ways to save your money and have control over your expenses, but the first priority to take control of your finances should be paying off all your outstanding debts if you have any. Once you pay off your debts (i.e., car loans, student loans, credit card payments, or any other personal loans), then you will have much more room for investing and saving.

The more time you wait to pay off your debt, the more interest you will be paying. You should choose the best way to pay off your debt with which you get a higher chance of success.

## **10. Save for Your 60s**

The 60s means the days after your retirement, when you're 60 and older.

The sooner you invest for your retirement days, the better life you will get in your golden years.

The post-retirement time is crucial for each person. Having less savings in your account will bring you stress in the hardest times of your life. So, there should be a targeted plan for savings.

Every person has a right to dream; may it be big or small.

To achieve those dreams, you need the money. And the proper utilization of funds depends on how you control your finances.

To grow your money, you need to make sound financial decisions, which will take you a step closer to your dreams.

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**Kalen Bruce** is an active-duty US airman. He's happily married to his wonderful wife of 15 years and they have 5 amazing children. He's passionate about helping people and serving others through his blog. He has a Bachelor of Arts degree in Finance, but has learned more through reading books and living than a degree could ever teach him. This article was originally published on [MoneyMiniBlog](#).

# *When it Comes to Spending, Focus on Meaning*

*—By Dawn Starks*



The rhythm of daily life routinely shifts from slow and easy to fast and furious. No matter how hard we try to rein in the crazy and slow our lives down, the crazy creeps back in when we aren't looking. As a result, life as a minimalist – always in search of simplicity — is a never-ending journey. We are always on the path, never reaching the destination. This sort of journey suits me fine.

This same phenomenon occurs with money. We can be extra careful and thoughtful about our spending and then, BOOM! Here comes the crazy. Some unexpected large expense or a series of little, but poor spending decisions, all of which can cause us to steer ourselves straight off the financial wellness path.

### **“How meaningful is this purchase?”**

For this reason, I've started thinking about spending in a new way, and my thought process is increasingly becoming a habit. The concept isn't difficult. But it can be challenging to remember to ask myself, “How meaningful is this purchase?” Of course, I don't do this for every bill that comes into the house. I'm referring to daily spending. Spending on convenience. Spending to reduce emotional pain or stress. Spending to keep up with the persona we have developed.

It's easy to be judgmental about quite a bit of our spending. Who hasn't succumbed to the fast food siren song when the workday has run just a bit too long, and the thought of going home to cook a nutritious meal makes you want to cry. Who hasn't bought a sugary treat or other impulse purchase because our day was challenging and some inner voice whispers that "we deserve a treat."

If we objectively evaluate this sort of spending, it would result in many budget cuts. On the surface, those adjustments might seem wise and right. But depending on the situation, it might be wrong to cut those "unnecessary" expenses. This is where it's paramount that we focus on meaning.

### **Bad habit? Or important ritual?**

Let me offer a personal example of this sort of behavior. My husband and I homeschool our daughter, Rowan, and I run a business. Once a week, she comes with me to the office to do a little bit of work and work on school assignments while I work in the office. Almost without exception, we leave the house early and hit Starbucks for breakfast.

By anyone's measure, this is not the best choice as a parent. My daughter is not getting a very nutritious breakfast (nor am I!). What we get is enormously overpriced. Nonetheless, it has developed

into a habit. On the surface, this seems like a habit that needs intervention. Clearly, I'm capable of having something fun, nutritious and interesting to eat at home on those mornings when we "working girls" are heading to the office. A practice like that would save oodles of money and probably save time, too.

But even as I am feeling all the parental guilt about this bad habit, I don't berate myself. Instead, I smile. Because this ritual is an echo of one I had with my father when I was a kid. On Saturday mornings, he got up early to go to his office to get some extra work done. He would wake me up and ask if I wanted to go along. The answer was always an enthusiastic "yes!" because it meant stopping for breakfast at my dad's favorite diner. I was, and still am, a huge fan of big breakfasts. This time with my dad became a happy ritual, and I'd also get the satisfaction of helping him out with some work when I accompanied him to his office.

So, now Rowan and I have developed a similar joyful ritual. In spite of the fact that I spend \$14 each Thursday when we stop for breakfast, it is worth it because the experience MEANS something to us. It's our thing. It began accidentally but, after a handful of times, our pitstop has become a habit. When she's slow to get out of bed those mornings, a whispered reminder of "Starbucks for breakfast!" is all it takes to motivate that girl.

This ritual might fall into the category of the worst sort of spending. It's convenient, but it's not particularly healthy, and \$14 per week does add up. Truth is, this splurge means something to my daughter and me, and therefore it has a sanctioned place in our budget.

### **Evaluate your spending in the context of meaning.**

Using the lens of meaning is a way to filter your discretionary spending. What does this purchase mean to you? Does it have any meaning? When you are about to buy an unhealthy snack, or another pair of jeans you don't need, ask yourself "why am I doing this?" What does that purchase mean to you? If the purchase will lift up your soul with happiness or nourish your body with goodness, you will have a positive feeling when you ask yourself the question. Instead, if the purchase is simply out of habit or is something you're trying to quit buying, notice that, too.

So, pause. Evaluate what you are about to spend your hard-earned money on. Practice taking a deep breath while you ponder the meaning of the purchase.

As we work to simplify our lives and cut out the unessential, we shouldn't overlook how we spend our money. Just as our lives can easily slip back into an undesired hectic rhythm, so, too, can our

spending slip back into meaninglessness. Choose to be thoughtful and adopt spending habits that are meaningful to you.

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# *7 Reasons Why We Should Stop Praising Excess*

*—By Joshua Becker*



“I think everybody should get rich and famous and do everything they ever dreamed of so they can see that it’s not the answer.” — Jim Carrey

Our world applauds success. And well it should. It is entirely appropriate to champion those who develop their talents, work hard, and overcome obstacles. There are many successful people I admire in my own life.

But our world is also fixated on praising excess. We are not the first society to worship conspicuous consumption, but we do continue the practice.

Magazines overexpose the details of the rich and famous. News publications rank those with the greatest net worth. Reality television applauds the lifestyle of those who live in luxury. And the Internet attracts readers with countless stories about them.

Even in our own lives, we do the same. We comment on the size of the houses in the neighborhood down the street. We point out the luxury car in the lane next to us. We envy fashionable clothes and designer handbags.

We desire to live the life of those who seem to have it all. In our hearts and in our affections, we praise those who live with excess.

But we are making a big mistake.

Success and excess are not the same.

## **7 Reasons Why We Should Stop Praising Excess.**

### **1. Excess is often arbitrary.**

Sometimes, financial gain is achieved through hard work, dedication, and devoted discipline. But not always. Often times, wealth is only a result of heritage, dishonesty, or just plain luck. In those cases, no praise has been earned. And telling the difference is often more difficult than we realize.

### **2. Excess is rarely the wisest use of our money.**

Harvey Mackay once said, "If you can afford a fancy car, you can make more of an impact driving an ordinary one." His statement is true. There are better things to do with our money than spend it on ourselves. This advice stands as wisdom when purchasing cars, houses, clothes, or technology. Just because you have the financial resources to afford excess, that does not mean it is the best option for your life. We should stop praising those who use it exclusively to that end.

### **3. Excess adds stress and anxiety to our lives.**

Not only is there a greater good that could be accomplished with our money, but increased possessions add burden and weight to our lives. Every increased possession adds increased worry. It becomes one more thing to manage, store, repair, and remove. Adding extra burden to our already short lives seems like a foolish thing to admire.

#### **4. Excess is harming the environment around us.**

It is difficult to ignore the impact our praise of excess has meant on the earth. Perhaps Gandhi said it best, “The world has enough for everyone’s need, but not enough for everyone’s greed.” Holding up those who flaunt their excess as an example to follow is hardly a wise decision for anyone’s future.

#### **5. Excess causes us to praise the wrong things.**

Our world keeps checking the wrong scoreboard. Those who live in excess are not necessarily the ones who live the most fulfilled lives. Often times, it is those who live quietly, humbly, and in the service of others who are the happiest. Those are the choices we should be praising and those are the lives we should be emulating.

#### **6. Excess causes us to lose sight of the things we already have.**

It is impossible to find peace, gratitude, and contentment while holding on to envy of those who have more. Unfortunately, we do it all the time. Admiration is a healthy emotion, but envy is not. And choosing to exalt those who flaunt their excess results only in greater discontent.

## 7. Excess is not the answer.

Everyone is looking for answers to the most important questions we are asking: What is the purpose of this life? Where can I find fulfillment? And what does it mean to live an abundant life? These are difficult questions with difficult answers. But surely, “owning as much stuff as possible” is not the answer to any of them. There are greater pursuits available to us than excess. But they can be difficult to discover when all our energies are being directed at the wrong things.

Admire success. But do not praise excess. Our society is longing for people who can tell the difference.

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