Module 2

Wealth On Any Income

1. Poverty versus Prosperity word association exercise
2. Belief systems
3. Couples and Money questions
4. Paradigms
5. Identify your values to do a 5 year financial and/or career goal
6. Use the 6 areas of influence from *Change Anything* to create a support structure

Hi everyone, and welcome to Module 2 of the Wealth On Any Income Internet course.

In Module 1 we covered thinking from the details or the big picture; we covered the three areas we all operate from; thoughts, feelings or values, and how feelings run us most of the time. But tapping into our values can overcome the feelings that can get in the way of our financial success.

 Today in Module 2 we will do a word exercise to measure your relationship to either poverty or prosperity thinking; we will discuss our belief systems about money based on messages we may have received when we were young; we will do another exercise for couples to understand each other’s money values; we will touch on your values to create a 5 year financial and career goal, from the future, not from the present; and finally we will dig deeper into the 6 areas of influence from the book *Change Anything* to build a support structure that you will use to guarantee your success in the achievement of your goals.

 Let’s start with a quote from Abraham Maslow, the creator of the heirachy of human needs. Then we’ll move on to our first exercise. Here he’s talking about happiness:

*If you deliberately plan to be less than you are capable of being, then I warn you that you’ll be unhappy for the rest of your life. You will be evading your own capacities, and
your own possibilities.*

 So, let’s get started with a word association exercise. I learned this from James Gottfurcht, a psychologist who has a practice called “the psychology of money.” Please take out a sheet of paper and pen. You might remember how a word association exercise is done, I say a word, and you write down the first word that comes into your mind. As an example if I say, “Cat” you might say “dog” or “allergy.” If I say “color” you might say blue or red.

 Here’s the first word: Money.

 Second word: Money.

 Third word: Money.

 Fourth word: Money.

 Fifth word: Money.

 Sixth word: Money.

 Seventh word: Money.

 Last word: Money.

 Now we need to determine how the words you wrote down correspond to either a poverty or prosperity consciousness. We need to rate each word you wrote down as positive, negative or neutral.

 As an example, if you responded with “freedom” when I said “money” that would most likely be a positive association and you would put +1 next to that word.

 If you said “burden” when I said “money” that would most likely be a negative association and you rate that a -1.

 A neutral association might be something like “cash” or “savings account.” But maybe you feel “cash” or “savings account” is a positive thing. If it feels neither positive or negative to you then would rate it with a zero.

 Now we add up the positive feelings. After you have that total, add up the negative feelings and subtract that total from the positive total. The neutral associations don’t get counted.

You will now end up with either a positive remainder, a zero, or a negative balance. Since you are the one who assigned the numbers, and established whether a word was negative or positive for you, this is YOUR assessment, not something that was imposed upon you from the outside.

 If you have a positive 8, then obviously you have a prosperity consciousness. And any positive number still tilts the see/saw towards positive feelings toward money. If you have an equal number of positive and negative ratings, then you are obviously in a place where money is neither a motivator or driver, nor something you fear or shy away from.

 However, if you have a negative balance, then you are operating from a poverty consciousness and the thought of creating wealth is going to be very difficult until you can transform your attitude. The greater the negative balance, like a -4 or -6, means you probably would not even be taking this course.

 People who have this association got messages while they were growing up, that as a child they couldn’t filter out. Messages like, “Money is the root of all evil,” “All rich people are thieves,” “All wealthy people take advantage of poor people like us.”

I’ve met people who were told things like this by their parents and it’s no wonder they struggle with creating a savings or investment account. It makes them feel guilty; they feel they are dis-honoring their parents, and so on. Until they can recognize these statements were based on their parent’s attitudes they cannot break free and create their own attitudes. They are living out their parent’s beliefs, and there is no way they can become wealthy themselves.

One of my tenants told me of her struggles. Her parents told her that only dishonest people make a lot of money. When she was hired by Disney and started earning over $120,000 as a single woman she literally gave the money away to others. She’d give $20 to a homeless person, who probably used it to buy drugs. She’d give away money to friends, struggling actors, co-workers, or anyone who asked her for money. Eventually she had to depend on credit cards, and didn’t have the money to pay her own rent and was evicted.

She didn’t even know what was happening until years later when she was approaching retirement age and realized she squandered all her earnings and had nothing to live on besides social security.

Think of it this way; Say you have a beautiful, slick yacht. The hull is made out of a super strong material, like titanium. The damage poverty thinking can do to an individual’s financial plans and activities are like holes in your financial vessel. It doesn’t matter how beautiful your ship is and it doesn’t matter what material the hull is made of; with holes in the hull it will not perform to its peak and could ultimately sink just like my Disney employee example. The titanium hull and beautiful design represent prosperity thinking while the holes represent poverty thinking.

I had a poverty attitude with my first wife. I went like this: “It doesn’t matter how much money I earn, I’ll never have anything left over.” And like any self-fulfilling prophecy, that’s just how it worked out.

Let’s move on to some of the other messages that you might be operating under, and let’s destroy them. You will see more of these messages in the *Wealth On Any Income* book in pages 17 to 23. Here are a few of the more light weight messages that I covered in the book. We need to get these out of the way if you are going to create wealth.

**The first one is: More money will provide me with the happiness I’m missing now.**

This belief reminds me of the adage “Money can’t buy happiness.” And, it doesn’t matter if you think you know where to shop for it. What money buys is “pleasure,” not “happiness.” Most people confuse these two feelings. “Happiness” can come from what we do for others. What we do for others creates a state of contentment and well-being about who we are. I’m not talking about dysfunctional co-dependency; I’m talking about our contributions to other human beings.

“Pleasure” comes from what we receive. A day at Disneyland can give us pleasure; gifts give us pleasure, a massage, a round of golf, a shopping trip to the mall. These give us pleasure. They are short term and fleeting. Most people mistakenly think the next outfit they buy will make them happy, even though the 14 outfits they bought before didn’t. What they bought was fleeting pleasure.

Maybe you’ve been in a conversation with someone who was upset about something, or just maybe down in the dumps. And, as a result of talking with you, sharing their feelings, understanding what they were going through, they felt better. Think about something similar where you helped someone out by being there for them, but it didn’t involve spending any money. Could you say that experience made you feel happy? You see, it doesn’t cost any money to create happiness. It’s internally generated based on what we’re doing for other people. Pleasure comes from what others are doing for us, or what we’re doing or buying for ourselves. It’s external and fleeting.

However, we all need a certain level of income to maintain the lifestyle we believe is appropriate: To have comfortable shelter; wholesome and nourishing food; clothe our children decently, and so on. The difficulty is defining what is appropriate. We deserve as much pleasure as possible from the money we spend. The only way to know if we are getting the pleasure we seek is to measure it. While this is only subjective, you get to be the one doing the evaluation. And, the only way we can measure it is to track it. This is one of the requests I will make in a latter module when we cover the “tools” to create wealth.

In the book *Your Money or Your Life*, Joe Dominguez and Vicki Robin talk about this idea. They also bring up the conversation about what money represents. They say it represents the life energy you give up in exchange for money. You can then evaluate the pleasure you get by how much of your life you gave up. Is another powder blue sweater worth 25 hours of your working life? Would you buy this if you didn’t have to work for a living? These are the types of questions you can use to measure the level of pleasure you’re getting when you buy something. And we are going to come back to this concept and these questions when we talk about the Spending Register in Module 5.

**The next thought might be: Budgets and spending plans are the same thing.**

No, they’re not. In this program I talk about spending plans, and I say it’s different from a budget. A spending plan is based on how much money you want to spend in some area or category of your life that will take you toward your goals. It is not based on how much money you will be restricted to, as in a budget. For many people the word “budget” is like the word “diet.” What are the first three letters of the word diet? “D I E.” That’s got to be real exciting. Yeah, you’re looking forward to budgeting, just like you’d look forward to a diet or a funeral.

What we’re doing here is finding out where our money is going so we can determine if we’re getting the level of satisfaction and pleasure we’re paying for. A spending plan is based on our values and on the long term goals and objectives we’ve created. It’s designed to monitor and support us in spending money in alignment with our goals, objectives and values.

### Thought/Belief #3 If I just made more money, I wouldn’t need a spending plan or budget.

This attitude is based on the idea that more money solves the problems of mismanagement. It doesn’t. How much money you earn is not as important as what you do with it. Look in the newspaper and read the articles of lottery winners who go bankrupt. They didn’t have the skills to manage before they won millions. How did winning millions of dollars give them the skills? It didn’t. Within three years over 70% of those who won the California Lottery were in debt beyond their winnings.

I have an issue of People magazine dated February 24, 1997. On the cover it shows six entertainment stars who have gone broke, and one of them earned $33 million per year! People can outspend any amount of money they receive. Having more money is not the solution—handling expenses in alignment with your values and goals is the solution. Then you can create more money and have it produce the results you want.

### Thought/Belief #4 This will take too much time and restrict my spending.

Are you willing to spend 5–10 seconds to see where your money goes? One of the key concepts of this program is Tool #5; the Spending Plan Register. It only takes 5–10 seconds to complete, after any expenditure, and provides you with all of the data you could want. In talking with thousands of people, I have run across very few who were not willing to spend 5–10 seconds to know where their money goes. It does not restrict your spending. It only **creates awareness**. You still choose how and where you will spend your money. Only now the decisions become conscious, not unconscious or pre-programmed. What do you value more; knowledge or ignorance?

### Thought/Belief #5 Setting up a spending plan will be too complicated.

Is this your concern? Can you read and write? Can you add and subtract? If so, you have all the skills necessary to set up and operate my Financial Coach Spending Plan system. It won’t be complicated because I’ll lead you by the hand and show you what’s necessary.

### Thought/Belief #6Rich people don’t have to do this. I shouldn’t have to either.

The difficulty with this belief is it’s a two-part comment, and both assumptions are false. Most of the assumptions we have about millionaires are incorrect according to the book, The Millionaire Next Door by Stanley and Danko. They have studied millionaires for over 20 years, and this book documents their findings. To quote from the book on page 40:

They became millionaires by budgeting and controlling expenses, and they maintain their affluent status the same way.

To make this more clear, they provide the following analogy:

Have you ever noticed those people whom you see jogging day after day? They are the ones who seem not to need to jog. But that’s why they are fit. Those who are wealthy work at staying financially fit. But those who are not financially fit do little to change their status.

Let’s find out where some of these beliefs may have come from. The following questions are from the book *Couples and Money* by Victoria F. Collins.

Bringing out your hidden money beliefs will help you understand where your attitudes, habits and money peculiarities come from. With these items out in the open, you have the ability to choose to keep them or discard them. You can choose new beliefs to replace old ones. The key here is choice. In knowing your beliefs, you can take responsibility for them and avoid blaming your partner, parent, or anyone else as though they have control over you.

Please answer the following questions by writing down your answers. If you are married or have a partner, it is important for each of you to write down your answers separately.

* What was my mother’s role concerning finances?
* How is my role like hers?
* What was my father’s role concerning finances?
* How is my role like his?
* As a child, did I think I was rich, poor, or middle-class?
* How do those feelings affect me now?
* What were the main messages my parents gave me regarding money? How closely do I follow them, or rebel against them today?

There are many more questions on page 26 in the *Wealth On Any Income* book, and I encourage you to read the questions, and write down your answers.

 **What did you become aware of from these few questions?**

 Now maybe somewhere along the line some “expert” said something to you that you bought hook line and sinker. Something like, “Girls are not good with math, or science or engineering,” or “Boys can’t cook, cut hair or design clothing.” It could have been a teacher, a school counselor, neighbor or even a parent. These statements could also be considered an outdated paradigm, like, “The world is flat.” The point is; even experts are wrong about some things in their own field of expertise.

 Here are some examples:

 *“The phonograph has no commercial value.”* You already know phonographs were a huge commercial success. And guess who said that? It was Thomas Edison in 1880. He ought to know, he invented it—but he was wrong, wasn’t he?

 *“Who the hell wants to hear actors talk?”* Harry Warner of Warner Brothers Studios said this in 1927. This guy was in the movie business, he ought to know—but if it hadn’t been for his brother, Jack Warner, they wouldn’t have made talkies.

*“I think there’s a world market for about five computers.”* Tom Watson, chairman of IBM said this in 1943. It’s obvious how wrong he was.

Ken Olson, the president of DEC computers said this in 1977: *“There is no reason for an individual to have a computer in their home.”* Talk about a visionary.

 Can you imagine Steve Jobs saying something like that?

 The point here is that if these experts can be wrong in their own field of expertise, why would you buy into something said by a school teacher about what you might be able to accomplish? Barry Bonds was told by his science teacher he couldn’t earn a living playing baseball. Jeff Foxworthy was told by his high school principal that he would be a failure in life if he didn’t stop clowning around. Both men earned millions of dollars doing just what those so-called experts said they couldn’t do.

From participant Ken: Denver Broncos running back Montee Ball was asked by his second grade teacher what he wanted to be when he grew up. He replied that he wanted to play in the NFL. She said it would be a good idea to have a back-up plan too. He told the teacher, “My dad says if I already have a plan B, I’ve already failed.”

 And sometimes these messages are not spoken, but show up in actions. As an example, when I was five my mom-went back to work part time and I was left home alone. When my dad died I was 11, and my mom had to work full time to support us. In my child-mind I figured that if my parents weren’t around to take care of me, it must be because I was not worthy of their care. As an adult, I operated on the belief that if my parents wouldn’t help me, then no one else would either. I invented a limiting belief and avoided asking for help.

 The point is we either invent beliefs that limit us, or limiting beliefs are given to us by people we depend upon or respect. In either case, they are **inventions** and, as such, we can choose to believe them, discard them, alter them or transform them. Each one of us has the power to choose how we will let our circumstances affect us. I no longer choose to have them limit me. I choose to go after what I want and you can choose to do the same.

 **Please tell me what beliefs are you operating under that may have no basis in fact?**

 This is very important because our next exercise is to write a five year career and financial goal, and you need to separate yourself from any false ideas about what you can accomplish.

 **So, again, what false belief are you holding on to?**

 Let’s get to the powerful part of this call, creating your 5 year career and/or financial goal. These can be so tied together, that it may be difficult to do them separately, and that’s okay.

 This approach I’m offering is old, but it still works. You may have heard of the acronym SMART for writing your goals, with “S” standing for Specific and “M” standing for Measureable. You’ll find this on page 39 in the *Wealth On Any Income* book.

The “A” stands for Action Oriented

“R” stands for Realistic and

“T” stands for Time Deadline

 But there are some very important components to the process. One is writing your goal from the future, not from the present. Another is to include how you will feel with the accomplishment. Remember how powerful feelings are? And the other ingredient is to put into place a support structure. Even if you don’t write the goal well, but you work with other people, you have a very high likelihood of success.

 Here’s an example of a goal from the future that contains all the elements that are needed:

 It is October 14, 2019, and I am thrilled driving my new Ferrari down the Pacific Coast Highway. I love my new house on Lido Isle in Newport Beach, CA. It has two stories and 5000 square feet. It felt so great to pay $6,000,000 cash for the house and have no mortgage. And I love the dock that goes right into the bay so I can go sailing every other day. My work satisfies me and generates a 7 figure annual income because I continue to help thousands of people reach their goals. It feels so fulfilling to be the sole benefactor for the homeless shelter in Santa Ana.

 Let’s break it down:

The date is 5 years in the future, not today, which is the time deadline.

I’ve included my feelings; thrilled to drive, felt great to pay $6 million, love the dock, fulfilling to be the benefactor, and do satisfying work.

The action words are driving and sailing.

The specific and measurable components are a $6 million dollar house and a 7 figure annual income.

And only you can determine what is realistic.

 By the way, this is not my goal, but just an example. I’d rather have a new motorcycle and I get sea sick, so the sailboat is out.

 Now, were going to take 5 minutes so you can write your five year goal. And you can change it. You are not confined to what you write. And giving you only 5 minutes should prevent you from censoring yourself based on what someone else said were your limitations.

 Okay start now….

 3 minutes left,

 1 minute left,

 Okay, here’s the next step. Unless this goal you’ve written is one that you have already been working on, the first steps you need to take, today, or tomorrow, will be some sort of research with a person, place, like a library, or the Internet. As an example, you would need to find out the cost of a new Ferrari. Would $6 million buy a house on Lido Isle? What would you be doing to earn that 7 figure annual income? And so on. If it’s a change in career, where do you get the education that’s needed?

In my workshops I use the example of a school teacher who could look at a chart to see where she would be in 5 years. Or she can determine where she wants to be in 5 years, like perhaps she wants to become a doctor. If she wants to become a doctor, then the first step she would take would be very different than if she decided to stay as a school teacher.

 I said there were a few components to achieving your goal. One is to have it written down. That should be done now.

 **Based on the goal you’ve written down, what is the first step you need to take?**

**What information do you have to acquire?**

**Who do you need to meet or speak with?**

 The next component is the support structure that involves including other people, which is one of the six influence areas from the book *Change Anything*.

 Let’s look at each of the six areas individually, and write down the support items you need for each.

1. Do you have the *personal motivation* for the goal that your wrote down? If it doesn’t match your values, it won’t work. It needs to fit who you are. Does it?
2. Do you have the *personal ability* to achieve that goal? Is there additional education you need? Is there staffing you need? Pull out the graph or chart that you created from last week, and write in each area what is needed. What ability or information do you need?
3. Do you have the *social motivation*? Are the people around you supportive of your goal? Have you shared your goal with your friends?

**Who will you share your goal with?**

1. Have you put into place the *social ability*? Who are the other people you need to enroll to support you in achieving this goal? Specifically who are these people that you need? Who are your role models? Do you have or need a coach? **Who will be your mentor, guide or partner?**
2. Is the *structural motivation* in place? What incentives are in place as you reach various milestones on the way to your goal? Is it a trip, time off, amusement park, visit with children or grandchildren, 3 day weekend? Determine what incentive will motivate you to stay on track and let other people know about your progress. **What will be an effective incentive for you?**
3. What is the *structural ability* you need? Are reminders from your iPhone enough? Do you need to use a large white board or calendar? **What will you place in your environment that will support you to continue to move forward?**

Understand that as humans we are hard wired to exert more effort to avoid loss than to receive an equivalent gain. Use that knowledge as a motivator. As an example, if you don’t achieve your milestone in the time you established, donate money to an organization that you despise. Again, you need the human component to support you. You have to announce that if you don’t accomplish the milestone in the time you set out, you would make this donation.

Just be careful about a large incentive. It could become the end in itself and when it’s removed the primary motivation can go with it. Do reward small wins. The achievement of long term goals becomes far more effective when broken down into smaller doable steps and small rewards are tied to those accomplishments.

**Again, let me hear what your incentives will look like.**

If you feel motivated by the goal you wrote down, that’s terrific. If you’re not motivated by what you wrote down, you need to change it. AND, even if you’re motivated now, I can tell you that motivation will evaporate shortly.

Think of it this way: You bathe daily not because you did it wrong the last time. You eat daily, not because you ate the wrong food, or you ate it wrong. You do these things because it’s NATURAL for them to wear off, for the body to perspire and need to be cleaned. For the food to be your body’s fuel and used up.

Well, it’s your mind that produces your success. It’s your attitude and intelligence that produces results, not your body. When you don’t feel like taking action on your goals you need to have the support of others, because your motivation will wear off just bathing and food. You need to recharge your mind just like you feed your body, and that comes from listening to tapes or recordings, reading books and working with other people.

In module 3 we will start working with the Financial Tools, the debt elimination form, balance sheet, cash flow form and spending register. I suggest that over the next week you do the following:

1. Read and re-read your five year goal to be sure it’s a fit for you.
2. Create milestones from day 1 to week 1 to month 1 for your goal.
3. Assemble the financial records so we can get some serious work done in module 3
4. If you want my support to tweak or critique the ingredients or completeness of your goal, please email it to me. I will keep it confidential.

Again, if you have any questions please give me a call or send me an email.