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# Control Your Flow

Imagine you are in your bathroom. If you don't have a bath tub, imagine you have one. You are going to be filling up your bath tub. You turn on the water. When you first start, you don't put the plug in the drain. So you have water going in the tub from the faucet and going out the drain at the bottom of the tub. The water is flowing, but the tub is not filling up. Now you put the plug in the drain. You have stopped the water from flowing out, and your imaginary tub starts to fill up.

Once the tub is half full, I want you to keep the water running and keep the water level at the halfway mark. How would you do this? You control the water level with the faucet and the plug in the drain. For this example, you can't change the faucet. The water going in the tub is set. If you want to keep the water level at the halfway mark, you would have to adjust the plug in the drain. You would want to pull the plug out a little so that the water going out of the tub would be the same as the water going in the tub. If more water is coming in the tub than going out of the tub, the water level will rise. If more water is going out of the tub than going in the tub, the water level will drop. You control your water level by controlling the

water that flows in and out of your tub. OK, you can pull the plug completely out and turn off the water. You are done playing with your tub.

Money is like water. If you understand how to control the water level in your bath tub, you can take control of your money and achieve your financial goals. Your wealth is like the water level in your tub. If you are earning more than you are spending, your wealth is increasing. But if you are spending more than you are earning, your wealth is decreasing. If you are earning and spending the same amount, your wealth is staying the same. You are in control of your money flow and your wealth.

As you finish your high school years, you start making decisions that impact your earning potential. You decide if you want to stay in school and graduate. If you don't graduate, you limit yourself to low-skill jobs. You want to graduate from school because you will have more options. You can get better jobs that pay more if you have a high school diploma (you can always apply for the jobs that don't require a diploma, if you want). You decide if you want to attend a trade school or go to college and get a college degree. If you have a college degree, you can get even better jobs than if you only have a high school diploma. You can get better paying jobs and you have more options. You also decide what college you want to

attend. If you go to a college with an excellent reputation, you have a leg up on the competition when you apply for your first job. Once you get to college, you decide what you want to study. All these decisions impact your earning potential.

You go through a crucial period in your late teens and early twenties. You finish your formal schooling and start your first full-time job. During this period, you make important decisions about your level and type of education. These decisions have a direct impact on the amount of money that flows into your “Wealth Tub.” You want to keep two things in mind as you make these decisions: first, the more you learn, the more you earn; second, the more you learn, the more options you have. Money isn’t everything. You want to find something that you enjoy. You may have other factors that are also important to you. Only you can decide how to balance all these factors and decide what you want to do with your life. As you go through this process, check the earning potential of your different options. You can look on the Internet to see what different jobs pay. If you need to get student loans to pay for your education, compare how much it costs to go to a school or college versus your potential earnings when you graduate. Get a feel for how much you might be paying on your student loans every

month. Use this information, along with your other factors, to help you make your decisions. You can always make adjustments to your plans. You can always go back to school to get your diploma or a different degree. As you grow and change, research and keep in mind how your decisions will impact your earning potential. All your choices impact your income and the money that flows into your “Wealth Tub.”

You also control the money that flows out of your “Wealth Tub.” When you are on your own, you are probably spending money every day. You spend money on music, movies, and games. You spend money on phone, Internet, and cable services. You spend money when you get together with your friends. You spend money when you take a vacation or trip to visit your family for the holidays. You spend money on gifts for your family and friends. You spend money on clothes, fast food, and groceries. Two of your largest expenses are your home and car. You want to be careful when you make decisions about your home and car because they have a major impact on your ability to increase your wealth. You spend money on electricity, gas, water, and other utilities. You also spend money on insurance. Depending on your situation, you might spend money on home, car, or health insurance. Insurance helps you pay if you have major

expenses in these areas. You pay an insurance premium every month for this protection. Businesses love you because you are spending money all the time.

You make choices every day about how you spend your money. You decide if you want to grab a cup of coffee on your way to work. You decide if you want to pack a lunch or eat out with your friends for lunch. You decide if you want to eat dinner at home or go out. You decide if it is time to upgrade your wardrobe. You decide if you want to go to a movie this weekend. You decide if you want to buy that new video game. You make all these decisions about how to spend your money. All your decisions determine the amount of money that flows out the drain of your “Wealth Tub.” You are in control. It is crucial for you to be conscious and aware of how you spend your money. Most people are unconscious when it comes to spending money. You can think of them as “Money Zombies.” They spend money without thinking about what they are doing. If you want to be successful with your money, don’t be a “Money Zombie.”

You usually only have a few sources of money flowing into your life. You might have one or two jobs, your income. You have many different ways for money to flow out of your life, your expenses. You want to be aware of how your choices impact your income and expenses.

You want to earn more than you spend. When you are earning more than you are spending, your wealth is increasing. You are a winner when it comes to money.