

Lesson 12 - Recap

Get Free with Your Money

- People generally fall into one of four categories when it comes to money:
 1. *A mind-set of scarcity:* Individuals with this frame of mind often feel like there's never enough to go around.
 2. *A mind-set of security:* Individuals with this frame of mind tend to feel like they have enough money to live on and can typically pay their bills.
 3. *A mind-set of success:* Individuals with this frame of mind typically have more than enough money, but they worry about their investments and retirement accounts.
 4. *A mind-set of abundance:* Individuals with this frame of mind realize there's more than enough for everybody. They see the world as a place of abundance where there's more than enough for everyone.
- People with a scarcity of money mind-set can improve a situation by reframing how they think about money.
- The solution in many households is to run up credit card debt, which becomes a form of modern-day slavery.
- Many financial counselors recommend that you pay off your smallest debt first instead of the debt with the highest interest. Knocking out even small debts can motivate you to get all your debt down to zero.
- Check out www.becomingminimalist.com as a tool to help you get free with money.

Exercises

1. Where are you on the money mind-set category? What changes can you make to begin moving from scarcity to security to success to abundance?

2. When's the last time you took a firm look at your finances? Do you need to come up with a plan to help you reach your financial goals?

3. Describe in detail how much is enough.

4. Determine your needs and your wants as well as how much discretionary income you need. How much do you really have available to spend each month?

5. Study how economics should be affecting your spending. Do you recalculate your fixed costs as gas prices go up and adjust your discretionary income accordingly?

6. In terms of housing, are you buying or renting only what you need? Think about this as well as all the additional expenses included in the purchase. Ask yourself honestly whether this home will bring freedom or place a burden on your life. Repeat this exercise with the cars you drive, the technology you use, and the major purchases you make.
