

REVISED AND UPDATED FOR THE 21ST CENTURY

NEW YORK TIMES BESTSELLER



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MONEY
OR YOUR
LIFE



9 STEPS
TO TRANSFORMING YOUR RELATIONSHIP
WITH MONEY AND ACHIEVING
FINANCIAL INDEPENDENCE

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**9 Steps to Transforming Your
Relationship with Money
and Achieving Financial
Independence**

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PENGUIN BOOKS

polished than changed. All of the dollar amounts, unless otherwise noted, have been adjusted to 2008 equivalents. Statistics have either been updated or eliminated. Many stories are classic and have been retained. Some were outdated and either eliminated or replaced with a more up-to-date example. A few new stories have been added. Monique Tilford has lived and taught the program for years and has been so integral to this update that I consider her a coauthor and listed her as such.

I hope old and new readers alike will profit from this update. I hope millions more will benefit from this practical approach to money. I hope this for you. And I hope this for all of us, for the return to financial sanity so needed in our world.

PROLOGUE

MANAGING YOUR LIFE AS AN INTEGRATED WHOLE

Many books on money are available today. Books on the philosophy of money. Books on the psychology of money. Books on home accounting and budgeting. Books on how to earn money. Books on how to save money. Books on how to invest the money you've earned and saved. Books on how your spending affects the environment. Books on how to get rich. Books on how to file for bankruptcy. Books on how to retire.

What these books have in common is that they assume that your financial life functions separately from the rest of your life. This book is about putting it all back together. It is about integration, a "whole systems" approach to life. It will take you back to basics—the basics of making your spending (and hopefully your saving) of money into a clear mirror of your life values and purpose. It is about the most basic of freedoms—the freedom to think for yourself.

The purpose of this book is to transform your relationship with money. That relationship encompasses more than just your earning, spending, debts and savings; it also includes the time these functions take in your life. In addition, your relationship with money is reflected in the sense of satisfaction and fulfillment that you get from your connection to your family, your community and the planet.

To transform something is to change in a fundamental way its nature or function. Once you have changed the nature and function of your interaction with money, through following the steps in this book, your relationship with money will be transformed—you will reach

new levels of comfort, competence and consciousness around money. And that's only the beginning of what's possible—once you start following this new road map for money.

THE OLD ROAD MAP

Imagine trying to find your way around a strange city—but where your road map shows a zoo you find a shopping mall, and where it indicates a route to the beach you find that it dead-ends at a train station. After a few such experiences, you may question the usefulness of the map—and then examine it and to your dismay discover that it was drawn in 1890. If you want to get to where you want to go, you'd better get a new road map!

Now, just as you can't navigate well with such an outdated map, neither can you successfully find your way through today's money maze with a financial road map charted during the latter part of the nineteenth century as the Industrial Revolution was gaining momentum.

The Industrial Revolution was successful to the degree that it provided the material goods that were seen as necessary at the time. Like all revolutions, this one promised a better life for all Americans. And it delivered—but only as long as people really needed more material possessions. The landmarks of the old road map were clear: "nine to five till you're sixty-five"; trust in the company to take care of you in your old age; the United States is the world's greatest economic power and can do no wrong; we must push for a higher "standard of living" regardless of moral, ethical, emotional, cultural, spiritual, marital, environmental and political consequences.

Around about the mid-twentieth century, though, conditions began to change. For many people, material possessions went from fulfilling needs to enhancing comfort to facilitating luxury—and even beyond to excess. We went from individual national economies to an increasingly global economy. Unlike in the past, problems began to emerge that could not be solved by providing more material goods. These problems were not restricted to Western industrialized nations but became global in nature.

The planet itself began showing signs of nearing its capacity to handle the results of our economic growth and consumerism—water short-

ages, topsoil loss, global warming, species extinction, natural resource degradation and depletion, air pollution and trash buildup are all signs that our survival is in question. According to the Ecological Footprint, humanity's consumption of natural resources first exceeded the planet's stores in 1985, and by early in this century we were consuming over 25 percent more than our supply. "Effectively, the Earth's regenerative capacity can no longer keep up with demand—people are turning resources into waste faster than nature can turn waste back into resources."¹ When we do that personally we can assume that more work later will pay off the debt. But we don't get more planet later. We have only one.

In addition, we've seen that our dependence on oil can lead to international conflict.

Even though we "won" the Industrial Revolution, the spoils of war are looking more and more spoiled. This is especially true for us as individuals. The old road map for money has us trapped in the very vehicle that was supposed to liberate us from toil.

The Not-So-Merry Money-Go-Round

Once upon a time "earning a living" was the means to an end. The means was "earning"; the end was "living."

Over time our relationship with money—earning it, spending it, investing it, owing it, protecting it, worrying about it—has taken over the major part of our lives.

Most of us spend much more than 40 hours out of the week's total of 168 hours earning money. We must take time to dress for our jobs, commute to our jobs, think about our jobs at work and at home, "decompress" from our jobs. We must spend our evenings and weekends in mindless "escape entertainment" in order to "recreate" from our jobs. We must occasionally "vacate" our jobs, or spend time at the doctor's office to repair our job-stressed health. We need to plan our "careers," attend job seminars or union meetings, lobby or picket for our jobs.

We must spend money to maintain our jobs—job costuming, commuting costs, food bought expensively at the workplace. We must spend so that our neighborhood, house, car, lifestyle and even life mate reflect our "position" in the work world.

With all that time and money spent on and around our jobs, is it any wonder that we have come to take our identities from them? When

The nine-circle puzzle is a fine exercise in thinking outside your ordinary mental boxes and in discarding assumptions. Most people who can't immediately solve it have assumed that they're not allowed to go outside the imaginary box defined by the nine circles. There is nothing in the rules that says you can't extend your lines out to the edges of the paper—or even beyond. Another common assumption is that those round things are dots instead of good-sized circles, which have a top, center and bottom.

Now look. As you can see, you can't solve the puzzle by staying inside your customary frame of reference. This book is about learning how to think in new ways, how to look beyond what you "know" to be true and discover your new road map for money.

Financially Independent Thinking

One of the keys to creating your new road map is what we call "FI (financially independent) thinking." This is the process of examining those basic assumptions that you have unconsciously adopted, of evaluating your old road map. FI thinking is noticing that you no longer need to cut off the ends of the ham, that limited frames keep us from seeing solutions and that "More Is Better" is no longer the name of the road to happiness.

FI thinking is about cartography—making your own map, one that accurately depicts the terrain of your life as it actually is today. This map will allow you to choose your own path through the territory of your earning and spending—and to integrate that path with the rest of your life.

FI thinking is essential for anyone who wants a clear, relaxed relationship with money. Until you can think independently, you can't be independent. Until you can deliberately and dispassionately question your own inner road map for money, you will be stuck in classic financial dead ends, such as:

- ♦ Spending more than you earn.
- ♦ Not liking your job, but not having a way out. Needing two paychecks to make ends meet.
- ♦ Just when you get ends to meet, seeing someone (your boss, the government) move the other end.

- ♦ Being so confused by money that you leave it to the experts, who in turn feed on your ignorance.

The Results of FI Thinking

FI thinking is about applying consciousness to the flow of money in your life. Just reading this book will initiate FI thinking in your life, but there is more. Actually doing the simple steps outlined here will transform your relationship with money. You will go from FI thinking to FI living.

FI thinking will lead naturally to Financial Intelligence, Financial Integrity and Financial Independence.

Financial Intelligence

Financial Intelligence is being able to step back from your assumptions and your emotions about money and observe them objectively. Does money really buy happiness? Does everyone really "gotta make a living"? Is money really something to fear or covet, to love or hate? If I sell the majority of my time for money, will I really be secure?

In order to gain Financial Intelligence you first need to know how much money you already have earned, what you have to show for it, how much is coming into your life and how much is going out.

But that isn't enough. You also need to know what money really is and what you are trading for the money in your life.

One tangible outcome of Financial Intelligence is getting out of debt and having at least six months of basic living expenses in the bank. If you follow the program presented in this book, it will lead inexorably to Financial Intelligence.

Financial Integrity

The dictionary defines integrity as "1: an unimpaired condition: SOUNDNESS 2: adherence to a code of esp. moral or artistic values: INCORRUPTIBILITY 3: the quality or state of being complete or undivided: COMPLETENESS."

Financial Integrity is achieved by learning the true impact of your earning and spending, both on your immediate family and on the planet. It is knowing what is enough money and material goods to keep you at the peak of fulfillment—and what is just excess and clutter. It is

having all aspects of your financial life in alignment with your values. If you follow the program presented in this book, it will lead inexorably to Financial Integrity.

Financial Independence

Financial Independence is the by-product of diligently following all the steps of the program outlined in this book. It is defined as having an income sufficient for your basic needs and comforts from a source other than paid employment.

While Financial Independence may not be one of your current goals, it is, eventually, in everybody's future. Think about it. Financial Independence is the totally natural, and inescapable, by-product of life. After a certain point you will no longer need to earn a living. The only choice in the matter is when and how that point is reached. In some cases that point is reached while you are still alive. It is then called retirement.

One purpose of this book is to teach the tools that allow you to become financially independent much sooner than traditional retirement and without necessarily depending on traditional retirement sources of income such as pensions and Social Security. As you go through this book you will also discover that Financial Independence encompasses a lot more than having a secure income. It is also independence from crippling financial beliefs, from crippling debt and from a crippling inability to manage modern "conveniences." Financial Independence is anything that frees you from a dependence on money to handle your life.

What Is an "Fier"?

"Fier" is our shorthand for a person who embodies FI thinking, who is gaining Financial Intelligence, learning Financial Integrity and moving naturally toward Financial Independence. Anyone who applies FI thinking to his or her life through following the steps of this program, we call an Fier.

HOW THIS BOOK CAME ABOUT

This book is not based on theory, good ideas or a new philosophy. It is the result of the authors' decades of combined experience (and now

two decades of hearing readers' experiences) in living all the principles presented here. This book didn't just happen; it evolved.

In 1969, at the age of thirty-one, Joe retired from his career on Wall Street—never again to accept money for any of his work. Throughout his life Joe was accustomed to thinking in new ways, and FI thinking was a natural extension of that.

In his ten years as a technical analyst and institutional investment adviser, he had been pursuing a secret agenda: to learn enough about money to develop a program that would allow him to retire with an income adequate to maintain his chosen lifestyle for the rest of his life—all from a modest salary, without speculation or big "killings."

The program he ended up with (after much trial and error and repeated testing and modification) had nothing to do with risky investment strategies or new, complex analytical methods. Rather, it was about applying common sense, following basic business practices, reexamining outmoded assumptions and diligently following nine simple steps.

To his surprise, Joe found that what he had thought of as a purely personal project was of interest to others—and worked just as well for them as it had for him, regardless of what kind of job they had. Vicki was one of his earliest "students." They met in 1969, several months after she had left a budding career in film and theater in New York, intent on finding out what else life might have to offer. Having graduated at the top of her high school class and with honors from Brown University, Vicki was no stranger to success. She just wondered whether success had to mean the kind of stress and egocentricity she'd seen in the professional world. Her open mind allowed her to recognize the value of Joe's new road map for money and apply it to her own life. Investing savings—which she was burning through when she met Joe—expanded her sense of freedom and self-reliance once she adjusted her lifestyle to live within her new means.

In the twenty years that followed, many friends and volunteers working with Joe and Vicki on various service projects would elicit from them the details of the program, apply them and discover that all aspects of their financial lives were clearing up—from earning to spending to paying off debts to having time for their families to meeting once-dreaded tax deadlines to building up savings to affording better housing to overcoming "poverty consciousness," job insecurity, fear of lack . . . and on and on—without even having early retirement as a goal.

During those years neither Joe nor Vicki had any intention of producing financial seminars. But as friends who'd pulled this program out of Joe applied the steps and saw that they worked, they enthusiastically spread the word. And Joe began giving evening seminars called "Transforming Your Relationship with Money and Achieving Financial Independence." The demand increased, and the course became a daylong seminar with capacity crowds. In less than two years these seminars had been held in over forty North American cities. And the demand continued to grow, still by word of mouth.

In 1984 Vicki cofounded the New Road Map Foundation, a non-profit charitable and educational foundation. Its primary purpose was to answer this demand by publishing an eight-hour audiocassette-and-workbook compilation of the best of Joe's seminars. In keeping with Joe's policy, the price was kept low (\$60) and the net proceeds were distributed to other nonprofit organizations working for a better world.

By 1991 over 30,000 people had taken "Transforming Your Relationship with Money and Achieving Financial Independence." The course had reached every state in the United States, every province of Canada and twenty foreign countries, and it had attracted the attention of the national media, with radio interviews and feature articles appearing in various magazines and countless newspapers. And virtually all of this from word of mouth and "word of letter." No paid advertising, no late-night television hucksterism.

Throughout the years, feedback from individuals continued to underscore the idea that this course was not simply about retiring early but about thinking in new ways.

Now, nearly twenty years into the life of this book that's been translated into ten languages and sold nearly a million copies, we know that the program works across cultures and across generations. We also know there is a new generation eager to give their lives to more than a 9 to 5 (and sometimes a 24/7) job. This update is for them. For you.

WHAT YOU CAN EXPECT FROM THIS BOOK

The chapters that follow are constructed to aid you in learning FI thinking by helping you to identify your old road map about money and to develop your own new road map.

Exploring the concepts in this book and diligently applying the nine steps will transform your relationship with money and lead you to FI—Financial Intelligence, Financial Integrity and even Financial Independence. In this book you will also read the stories of individuals—from cooks to counselors, mathophobes to managers, trainers to truck drivers—whose lives have become fuller and more satisfying through their application of what they learned from following the nine steps presented here.

Through the hundreds of letters we've received we know some of the ways people's lives have been enriched by following this program:

- ♦ They finally understand the basics of money.
- ♦ They reconnect with old dreams and find ways to realize them. With a great sense of freedom and relief, they learn how to distinguish between the essentials and the excess in all areas of their lives and how to unburden themselves.
- ♦ On average people at all income levels lower their expenses by 25 percent—and most feel happier, even if for the sake of their sanity they forsake a bit of income. They find that their relationships with their mates and children improve.
- ♦ Their new financial integrity resolves many inner conflicts between their values and their lifestyles.
- ♦ Money ceases to be an issue in their lives, and they finally have the intellectual and emotional space to take on issues of greater importance.
- ♦ At a tangible level, they retire their debts, increase their savings and are able to live happily within their means.
- ♦ They increase the amount of their "free time" by reducing expenses and the amount of time on the job.
- ♦ They stop buying their way out of problems and instead use such challenges as opportunities to learn new skills. Overall, they heal the split between their money and their life, and life becomes one integrated whole.

Each person who follows this program will gain something unique that adds to his or her life. How long will it take? It depends on you—and the road map you create.

GETTING ON THE ROAD

So you want to create your own financial road map? All you need is a notebook, a pen and a willingness to think in new ways.

To create your own financial road map you don't need to know a lot of math—anyone can do the arithmetic required here. You can start wherever you are financially (\$50,000 in debt or with substantial savings) and wherever you are psychologically (from a money-phobe to a money-lover).

It will take commitment to do the steps of this program, but every step you take will generate a reward. The rewards will not all be achieved by the time you finish reading this book. At first, some of the steps may look as if they will be time-consuming to put into practice consistently—however, people who have been doing the steps for some months report that they are actually spending less time on their money matters than before the course. The fact that their checkbooks always balance, that they don't ever have to rush to the bank to cover overdrafts, that they spend no time on unrealistic budgets, that they have no more arguments with their spouses over money, that they don't have to spend hours wondering "where it all went" and that the automatic record-keeping makes income-tax time a breeze are just a few of the ways that applying the steps consistently produces savings of your most precious resource—your time.

THE BIGGER MAP

Remember that our current financial road map was developed for the American community during the Industrial Revolution. Much has changed in the last 150 years—but there have been too few cartographers.

Today we must expand our financial road map beyond our own family, beyond even our own American community, and include all the world's peoples. Further, considering the major environmental problems we are facing worldwide, we must expand to include the natural world. Our global community requires that individuals reexamine and realign their thinking and their choices about their personal financial lives.

Those participants who have achieved Financial Independence have discovered the fulfillment that comes from contributing their time, talent and love to the welfare of our planet and its inhabitants. It is the authors' fervent hope that this book will increase your freedom to contribute to your world.

THE MONEY TRAP: THE OLD ROAD MAP FOR MONEY

MONEY: THE TENDER TRAP?

"Your money or your life."

If someone thrust a gun in your ribs and said that sentence, what would you do? Most of us would turn over our wallets. The threat works because we value our lives more than we value our money. Or do we?

Penny Y. worked seventy hours a week as a successful saleswoman, but that wasn't it. She reports, "After reading books like The Poverty of Affluence [by Paul Wachtel] I realized that my feeling that 'something was missing' wasn't something only I experienced. I began to talk with others and found they often felt similarly let down. Having gotten the prize of a comfortable home with all the trimmings, there was a sense of 'Is this all?' Do I have to work and work and then retire—worn out—to be put out to pasture? To do nothing then but to try to spend money I saved up and to waste my time till my life is over?"

Carl M.'s love was music, but his life was working in data processing for Snohomish County, Washington—and he'd all but given up the hope that love and life could go together. Unsure of what it meant to be a man, he'd assumed all the trappings of adulthood and waited for the day when they'd catapult him into manhood. He'd graduated from college and gotten a wife, a skill, a job, a car, a house, a mortgage and a lawn to mow. Instead of feeling like a man, however, he felt increasingly trapped.

Diane G. just plain hated her job as a computer programmer. She did the bare minimum she had to do in order to keep her job—but did it so well that she couldn't be fired. She accumulated all the symbols of success—a sports car, a house in the country—but they barely balanced the boredom of her job. She went on to travel and participate in a variety of workshops, but none of these pleasures countered the doldrums of the workweek. She finally decided that this must be as good as it gets—with her job biting the center out of her life.

Even though many of us like our jobs, very few of us can say with honesty that our work lives are perfect. The perfect work life would offer enough challenge to be interesting. Enough ease to be enjoyable. Enough camaraderie to be nourishing. Enough solitude to be productive. Enough hours at work to get the job done. Enough leisure to feel refreshed. Enough service to feel needed. Enough silliness to have fun. And enough money to pay the bills . . . and then some. Even the best of jobs have trade-offs. Midlife comes and we discover we've been living our parents' agenda. Or worse, we've been filling teeth for twenty years because some seventeen-year-old (was that really me?) decided that being a dentist would be the best of all possible worlds. We've joined the "real world," the world of compromise. For all the hype about "going for the gold," we're so weary at the end of the day that going for the sofa is as good as it gets.

Yet most of us still cling to the notion that there is a way to live life that makes more sense, that brings more fulfillment and has more meaning. The people you'll be hearing about in this book have found that *there is another way*. There is a way to live an authentic, productive, meaningful life—and have all the material comforts you want or need. There is a way to balance your inner and outer lives, to have your job self be on good terms with your family self and your deeper self. There is a way to go about the task of making a living so that you end up more alive. There is a way to approach life so that when asked, "Your money or your life?" you say, "I'll take both, thank you."

We Aren't Making a Living, We're Making a Dying

For so many working people, however, from people who love their work to those who barely tolerate their jobs, there seems to be no real choice between their money and their lives. What they do for money

dominates their waking hours, and life is what can be fit into the scant remaining time.

Consider the average worker in almost any urban industrialized city. The alarm rings at 6:45 and our working man or woman is up and running. Shower. Dress in the professional uniform—suits or dresses for some, coveralls for others, whites for the medical professionals, jeans and flannel shirts for construction workers. Breakfast, if there's time. Grab commuter mug and briefcase (or lunch box). Hop in the car for the daily punishment called rush hour or on a bus or train packed crushingly tight. On the job from nine to five. Deal with the boss. Deal with the coworker sent by the devil to rub you the wrong way. Deal with suppliers. Deal with clients/customers/patients. Act busy. Hide mistakes. Smile when handed impossible deadlines. Give a sigh of relief when the ax known as "restructuring" or "downsizing"—or just plain getting laid off—falls on other heads. Shoulder the added workload. Watch the clock. Argue with your conscience but agree with the boss. Smile again. Five o'clock. Back in the car and onto the freeway or into the bus or train for the evening commute. Home. Act human with mates, kids or roommates. Eat. Watch TV. Bed. Eight hours of blessed oblivion.

And they call this making a living? Think about it. How many people have you seen who are more alive at the end of the workday than they were at the beginning? Do we come home from our "making a living" activity with more life? Do we bound through the door, refreshed and energized, ready for a great evening with the family? Where's all the life we supposedly made at work? For many of us, isn't the truth of it closer to "making a dying"? Aren't we killing ourselves—our health, our relationships, our sense of joy and wonder—for our jobs? We are sacrificing our lives for money, but it's happening so slowly that we barely notice. Graying temples and thickening middles along with dubious signs of progress like a corner office, a private secretary or tenure are the only landmarks of the passage of time. Eventually we may have all the comforts and even luxuries we could ever want, but inertia itself keeps us locked into the nine-to-five pattern. After all, if we didn't work, what would we do with our time? The dreams we had of finding meaning and fulfillment through our jobs have faded into the reality of professional politics, burnout, boredom and intense competition.

Even those of us who like our jobs and feel we're making a contribution can recognize that there is a larger arena we could enjoy, one that is beyond the world of nine-to-five: the fulfillment that would come from doing work we love with no limitations or restraints—and no fear of getting fired and joining the ranks of the unemployed. How many times do we think or say, "I would do it this way if I could, but the board members/Zilch Foundation want it done their way"? How much have we had to compromise our dreams in order to keep our funding or our job?

We Think We Are Our Jobs

Even if we were financially able to turn our back on jobs that limit our joy and insult our values, we are all too often psychologically unable to free ourselves. We have come to take our identity and our self-worth from our jobs.

Our jobs have replaced family, neighborhood, civic affairs, church and even mates as our primary allegiance, our primary source of love and site of self-expression. Reflect on that for yourself. Think about how you feel when you respond to that getting-to-know-you question, "What do you do?" with "I am a _____." Do you feel pride? Do you feel shame? Do you want to say, "I'm *only* a _____," if you aren't meeting your own expectations for yourself? Do you feel superior? Inferior? Defensive? Do you tell the truth? Do you give an exotic title to a mundane occupation to increase your status?

Have we come to measure our worth as human beings by the size of our paychecks? When swapping tales at high school reunions, how do we secretly assess the success of our peers? Do we ask whether our classmates are fulfilled, living true to their values, or do we ask them where they work, what their positions are, where they live, what they drive and where they are sending their kids to college? These are the recognized symbols of success.

Along with racism and sexism, our society has a form of caste system based on what you do for money. We call that jobism, and it pervades our interactions with one another on the job, in social settings and even at home. Why else would we consider housewives second-class citizens? Or teachers lower status than doctors even though their desk-side manner with struggling students is far better than many doctors' bedside manner with the ill and dying?

The High Cost of Making a Dying

Psychotherapist Douglas LaBier documented this "social dis-ease" in his book *Modern Madness*. The steady stream of "successful" professionals who showed up in his office with exhausted bodies and empty souls alerted him to the mental and physical health hazards of our regard for materialism. LaBier found that focusing on money/position/success at the expense of personal fulfillment and meaning had led 60 percent of his sample of several hundred to suffer from depression, anxiety and other job-related disorders, including the ubiquitous "stress."¹

Even though the official workweek has been pegged at forty hours for nearly half a century, many professionals believe they must work overtime and weekends to keep up. A 2003 national survey from the Center for a New American Dream found that 3 in 5 Americans feel pressure to work too much.² In addition, a 2005 Conference Board study revealed that Americans are growing increasingly unhappy with their jobs. The study found widespread declines in job satisfaction among workers of all ages and across all income brackets.³ We are working more, but enjoying life less (and possibly enjoying less life as well). We have developed a national dis-ease based on how we earn money.

What Do We Have to Show for It?

Even if we aren't any happier, you'd think that we'd at least have the traditional symbol of success: money in the bank. Not so. Our savings rate has actually gone down.

According to the U.S. Commerce Department, the U.S. personal savings rate has hovered mostly between 0 and 1 percent over the past three years.⁴ By comparison, a quarter century earlier in 1981, Americans saved an average of 10.9 percent.⁵

Not only are we saving less, but our level of debt has gone up—way up. By late 2007 consumer debt had topped \$2.5 trillion, more than three times the total at the end of 1990. That's more than \$8,000 for every man, woman and child in the country.⁶ Every eight seconds a baby is welcomed into our society with a big "Howdy, you owe us \$8,000"—and that figure doesn't even count the newcomer's share of the *national* debt. You'd cry too.

Debt is one of our main shackles. Our levels of debt and our lack of

savings make the nine-to-five routine mandatory. Between our mortgages, car financing and credit-card debts, we can't afford to quit. More and more Americans are ending up living in their cars or on the streets. And we're not talking just about poor people or the mentally ill. White-collar workers are the fastest-growing category of the jobless. Layoffs are happening at an increasing rate in all sectors, from the automobile industry in Michigan to IT professionals in Silicon Valley.

We Make a Dying at Work so We Can Live It Up on the Weekend

Consider now the average consumer, spending his or her hard-earned money. Saturday. Take your clothes to the cleaners and your car to the service station to have the tires rotated and the funny noise checked out. Go to the grocery store to buy a week's worth of food for the family and grumble at the checkout that you remember when four sacks of groceries used to cost \$75 instead of \$125. (Sure, you could cut costs by clipping coupons and shopping sales, but who has time?) Go to the mall to buy the book everyone in your support group is reading. Emerge with two books, a suit (half-price on sale) with shoes to match, and some new clothes for the kids—all paid for with a credit card. Home. Yard work. Oops... a trip to the nursery for pruning shears. Come home with two flats of primroses, some new pots... and, oh yes, the pruning shears. Fiddle with the toaster that's burning every slice, even on the lightest setting. Fail to find the warranty. Go to the home improvement store to buy a new one. Come out with shelves and brackets for the den, color samples for painting the kitchen... and, oh yes, the toaster. Dinner out with your mate, leaving the kids with a sitter. Sunday morning. Pancakes for the whole family. Oops... no flour. To the grocery store for flour. Come home with frozen strawberries and blueberries for the pancakes, maple syrup, Sumatra coffee... and, oh yes, the flour. Take the family for a drive in the country. Buy gas; wince at the price, but how else could the family and dog have an outing? Drive for two hours. Stop at a cute restaurant, paying for dinner with the credit card. Spend the evening reading magazines, allowing the ads to float you on fantasies of the really good life available if you'd only buy a Porsche or an exotic vacation or a new computer or...

The bottom line is that we think we work to pay the bills—but we spend more than we make on more than we need, which sends us back to work to get the money to spend to get more stuff to...

What About Happiness?

If the daily grind were making us happy, the irritations and inconveniences would be a small price to pay. If we could believe that our jobs were actually making the world a better place, we would sacrifice sleep and social lives without feeling deprived. If the extra toys we buy with our toil were providing anything more than momentary pleasure and a chance to one-up others, we'd spend those hours on the job gladly. But it is becoming increasingly clear that, beyond a certain minimum of comfort, money is not buying us the happiness we seek.

Participants in our seminars, whatever the size of their incomes, always said they needed "more" to be happy. We included this exercise in our seminars: We asked people to rate themselves on a happiness scale of 1 (miserable) to 5 (joyous), with 3 being "can't complain," and we correlated their figures with their incomes. In a sample of over 1,000 people, from both the United States and Canada, the average happiness score was consistently between 2.6 and 2.8 (not even a 3!), *whether the person's income was under \$1,500 a month or over \$6,000 a month.* (See Figure 1-1.)

The results astounded us. They told us that not only are most people habitually unhappy, but they can be unhappy no matter how much money they make. Even people who are doing well financially are not necessarily fulfilled. On those same worksheets we asked our seminar participants, "How much money would it take to make you happy?" Can you guess the results? It was always "more than I have now" by 50 to 100 percent.

These findings are confirmed by numerous other studies on happiness. In one classic study, Roy Kaplan of the Florida Institute of Technology tracked 1,000 lottery winners over a span of ten years. Very few felt any greater happiness—or had any idea of what to do with the money. A surprising number were *less* happy six months later, having left jobs that had been a source of self-esteem and gained money they felt they didn't deserve. Many turned to drugs and suffered feelings of isolation.⁷

FIGURE 1-1
Life Rating Scale

Select the list that most closely applies to your life right now.

1	2	3	4	5
Uncomfortable	Dissatisfied	Content	Happy	Joyous
Tired	Seeking	Doing OK	Growing	Enthusiastic
Incomplete	Not enough	Average	Satisfied	Fulfilled
Frustrated	Relationships could be better	Acceptable	Productive	Overflowing
Fearful		Sometimes happy, sometimes blue	Relaxed	Ecstatic
Frequently lonely	Coping		Free of tension	Powerful
Angry	Getting better	Stable	Efficient	Making a difference
Need love	Not very productive	Normal	Time available	
Insecure	Need reassurance	Few risks	Fun	
		Fitting in	Secure	

Quality of Life Correlated to Income Level

Monthly income:	\$0-1500	\$1501-3000	\$3001-4500	\$4501-6000	Over \$6000
Average of quality-of-life rating for all participants in that income range:	2.81	2.77	2.84	2.86	2.63

So here we are, the most affluent society that has had the privilege to walk the face of the earth, and we're stuck with our noses to the grindstone, our lives in a perpetual loop between home and job and our hearts yearning for something that's just over the horizon.

PROSPERITY AND THE PLANET

If this were just a private hell it would be tragedy enough. But it's not. Our affluent lifestyles are having an increasingly devastating effect on our planet.

Over two decades ago, The United Nations World Commission on Environment and Development warned that consumption patterns in the developed world were one of the primary engines driving global environmental damage. Since that time, it has only gotten worse.

We can all recite the tragic indicators of this disaster—from climate change to rainforest destruction to species extinctions. They are front-page news, transforming many of us into reluctant and frightened ecologists. And these conditions are made worse by an advertising industry that creates demand for products we don't need that are using up natural resources at a rate far faster than the planet can replenish them.

We are piling up economic debt on top of our ecological deficit. As economic commentator Lester Thurow, speaking on National Public Radio, put it, it's as if we borrowed up to our eyeballs for the greatest New Year's Eve party ever. During the party everyone was happy. But come January 2, there was no more fun and only bills to pay. The last decades are like our blow-off bash, and it looks like "January 2" will be the reality for the next generation. This is particularly serious because by the end of the 1980s the United States had gone from being the world's largest creditor nation to the world's largest debtor nation. U.S. businesses, houses, land and government bonds are increasingly owned by foreign investors. We've mortgaged the farm, and the rent collector may come knocking any time now.

Concurrently, we have seen an increasing gulf between the rich and poor, both within the United States and around the world. Millions are homeless for want of affordable housing, while others have millions to spend on luxury homes. Historically such disequilibrium is the forerunner of dramatic and even violent change.

Financially, socially, politically and spiritually we've rung up some serious debts in our post-World War II spending spree. One way or another, we will pay up—with interest.

The Biggest Loser in the Money Game

The pity is that many of us are not even aware of this debt because our primary benefactors don't have a voice and we didn't even know we were borrowing from them. We haven't just borrowed from "the bank." We've borrowed from future generations, and from our very generous planet.

As ecologist Garret Hardin pointed out, on our shrinking planet, nature is like the village commons where we all graze our sheep. If we respect each other and respect the commons, all our sheep get fed and the commons and the community thrive. But if some folks start looking out only for themselves, they may start grazing extra sheep. Suddenly, goodwill is gone, we're all grazing extra sheep and the commons is destroyed.

Competing nations have depleted our planet's common resources. Everything we eat, wear, drive, buy and throw away comes from the earth. Many of these products are fabricated from nonrenewable resources. Once we throw them away, those pieces of the planet will not be available to support meaningful life for perhaps thousands of millennia. It's a one-way trip from Earth to factory to store to our house to the dump. We have ignored the fact that we enjoy our current level of affluence by the good (and free) graces of nature—soil, water and air that cost nothing yet are being taxed to the limit. We now face the grim possibility that the earth may one day no longer support life as we know it and need it to be. As civilized and advanced as we may have become, we still depend on breathable air, potable water and fertile soil for our daily existence. But we have done massive, perhaps irreparable, damage to our planetary support system.

But Why?

How is it that we've backed ourselves into this corner? And why do we stay here?

For one thing, many of us don't even recognize that we're in a corner, while others think that just around this very corner, happiness is waiting. In their book *New World, New Mind*, Robert Ornstein and Paul Ehrlich point out that our minds were designed to respond well to short-term threats—tigers and fires and the whites of our enemy's eyes. In today's world, however, environmental threats like climate

change are building up so slowly that the part of our minds built to respond to harm can't register the danger. We must, Ornstein and Ehrlich contend, learn to react to the distant early warnings of sophisticated environmental measurements with the same vigor with which we used to climb trees to escape the jaws of a tiger.⁸

We also put up with this "making a dying" existence because we think we have no choice. "Another day, another dollar." "Everybody's gotta make a living." The "nine to five till you're sixty-five" pattern, so recent in human history but so pervasive today, seems like the only choice for someone who is neither a sports nor entertainment superstar nor an eccentric. After all, there are bills to pay and an identity to maintain, and besides, what would I do with my life if I didn't have a job?

Is More Better?

And many of us are out there "making a dying" because we've bought the pervasive consumer myth that more is better. Even though Buckminster Fuller likened the earth to a spaceship, we cling to the silver-screen images of the Frontier, where "there's always more where that came from."

We build our working lives on this myth of more. Our expectation is to make more money as the years go on. We will get more responsibility and more perks as we move up in our field. Eventually, we hope, we will have more possessions, more prestige and more respect from our community. We become habituated to expecting ever more of ourselves and ever more from the world, but rather than satisfaction, our experience is that the more we have, the more we want—and the less content we are with the status quo.

More is better; this is the motto that drives us. For Americans (and increasingly for consumers in other nations) this is the motto that leads us to trade in our car every three years, buy new clothes for every event and every season, get a bigger and better house every time we can afford it and upgrade everything from our stereo systems to our lawn mowers simply because some new automatic widget has been introduced.

According to psychologist David G. Myers, author of *The Pursuit of Happiness*, the average U.S. citizen's buying power (adjusted for inflation) more than doubled between 1957 and 2002.⁹ As a result, former

luxury items became commonplace. Paul Wachtel noted in his 1989 book, *The Poverty of Affluence*, that:

In 1958, when economist John Kenneth Galbraith appropriately described the United States as "The Affluent Society," 9.5 percent of U.S. households had air conditioning, about 4 percent had dishwashers, and fewer than 15 percent had more than one car. By 1980, when Ronald Reagan's successful bid to replace Jimmy Carter was based on the widespread sense that people were suffering economically, the percentage of homes with air conditioning had quintupled, the percentage with dishwashers had increased more than 700 percent and the percentage with two or more cars had about tripled. Yet, despite the astounding economic growth—despite owning more of the gadgets, machines and appliances thought to constitute "the good life"—Americans felt significantly less well-off than they had twenty-two years before, polls showed.¹⁰

Those trends have continued. Midway through the first decade of the twenty-first century, two-thirds of American households own two or more vehicles. Over one-third own three or more.¹¹ More than half of American homes have dishwashers.¹² Over three-quarters of new homes in the United States come equipped with central air.¹³ Meanwhile, National Opinion Research Center surveys reveal that the percentage of Americans that describe themselves as "very happy" has been steadily declining since the late 1950s. In 1957 the percentage was 35 percent. By 2002 it was 30 percent.

If you live for having it all, what you have is never enough. In an environment of more is better, "enough" is like the horizon—always receding. You lose the ability to identify that point of sufficiency at which you can choose to stop. This is precisely the psychological cul-de-sac Paul Wachtel describes, the invisible Catch-22 of the consumer myth of more. If more is better, then what I have is *not* enough. Even when I do get the "more" I was convinced would make life "better," however, I am still operating out of the belief that more is better—so the "more" I now have *still* isn't enough. But hope springs eternal. If I could only get more, then . . . and on and on we go. We get deeper in debt and often deeper in despair. The "more" that was supposed to make life "better" can *never* be enough.

The Limits to Growth

Our economy's version of "more is better" is "growth is good." Modern economics worships growth. Growth will solve poverty, the theory goes. Growth will increase our standard of living. Growth will reduce unemployment. Growth will keep us apace with inflation. Growth will relieve the boredom of the rich and the misery of the poor. Growth will bolster the GNP, boost the Dow and beat the Japanese. A rising tide lifts all boats.

What we overlook is that the fuel for economic growth comes from nature, and even under the best of circumstances, nature is not infinitely abundant. Resources can and do run out.

There *are* limits in nature. At a physical level, nothing grows forever. Every plant and every animal reaches an optimal size and then begins mature function, participating in life—leafing, fruiting, responding to stimuli and providing nourishment and competition for other forms of life around it. We also know that every population of plants or animals reaches a maximum number, based on the finite resources of energy, food, water, soil and air, and then begins to stabilize or decrease in size. There *always* comes a point where the individual or the specific population either collapses or dies off due to lack of resources, or stabilizes at a level that the environment can handle.

By ignoring this fundamental reality of the natural world, we as individuals, and our economy, are now exceeding Earth's capacity to handle our demands. According to the latest "ecological footprint" studies—which measure how much biologically productive land and sea we use compared to what is available—by 2003 we were spending planetary resources at a rate 25 percent above the planet's capacity to replenish them. In a very real sense, we are no longer living off the interest (Earth's regenerating resources), but spending down the resource capital.

U.S. consumption exceeds resource capacity by an even wider margin. If everyone consumed resources at the rate of the average American citizen, we would need four extra planets to supply the resources.¹⁴ Couple this consumption with the desire of others to acquire the same luxuries that we enjoy, and you have a scenario for disaster.

Even though we clearly need to confront our personal and collective addiction to growth, we are exhibiting the classic resistance to change called denial. We don't have to change because we're sure that technology will save us. After all, we say, look at the past. Science and

technology have eliminated deadly diseases from smallpox to diphtheria. Surely we'll develop the technology to purify our water, genetically engineer seeds that can grow after global warming, clean up pollution and find the key to unlimited cheap energy. And if technology doesn't save us, surely the government will. Look at our social progress as a species. If we lobby for appropriations, the government will develop a program. There are experts who know what's going on and are handling it for us. Anyway, we conclude, it's not *my* problem. It's a Third World problem. If only "they" would stop having so many babies and burning their forests we'd survive. It's they who need to change. In any event, it would be silly to change because the reports are probably wrong. Scientists and politicians and the media have lied to us before. This environmental problem is a fabrication of some smart lawyers and Nervous Nellie alarmists. And anyway, what can "I" do? After all, I'm in debt so I *can't* stop commuting forty miles a day to the nuclear widget factory, even if the continuance of life on Earth depended on it, which it doesn't . . . does it?

As people and as a planet we suffer from *upward mobility* and *downward nobility*. We need at least to pause and wonder if it's all worth it, if we're getting the fulfillment we're seeking. And if not, why do we persist, like addicts, in habits that are killing us?

The Creation of Consumers

Perhaps we cling to our affluence—even though it isn't working for us or the planet—because of the very nature of our relationship with money. As we shall see, money has become the movie screen on which our lives play out. We project onto money the capacity to fulfill our fantasies, allay our fears, soothe our pain and send us soaring to the heights. In fact, we moderns meet most of our needs, wants and desires through money. We *buy* everything from hope to happiness. We no longer live life. We consume it.

People in industrialized nations used to be called "citizens." Now we are "consumers"—which means (according to the dictionary definition of "consume") people who "use up, waste, destroy and squander." Consumerism, however, is just a twentieth-century invention of our industrial society, created at a time when encouraging people to buy more goods was seen as necessary for continued economic growth.

By the early 1920s a curious wrinkle had emerged once we were

starting to win the Industrial Revolution. The astounding capacity of machinery to fill human needs had been so successful that economic activity was slowing down. Instinctively knowing they had enough, American workers were asking for a shorter workweek and more leisure to enjoy the fruits of their labors. Two sectors of American society were alarmed at this trend. The moralists who had internalized the Protestant work ethic believed that "idle hands would do the work of the devil." Leisure is debasing, they thought, leading at least to sloth if not to the rest of the seven deadly sins. The other sector to sound the alarm was the industrialists. Reduced demand for factory output threatened to halt economic growth. Workers did not seem as instinctively eager to buy new goods and services (like cars, chemicals, appliances and entertainment) as they did the old ones (like food, clothing and shelter).

The alternative to growth, however, was seen not as maturity but as the precursor to the stagnation of civilization and the death of productivity. New markets were needed for the expanding cornucopia of goods that machines could turn out with such speed and precision and for the continued profit of the industrialists. And here's the stroke of genius: these new markets would consist of the same populace, but the people would be educated to want not only what they needed but new things that they didn't need. Enter the concept of "standard of living." A new art, science and industry was born to convince Americans that they were working to elevate their standard of living rather than to satisfy basic economic needs. In 1929 the Herbert Hoover Committee on Recent Economic Changes published a progress report on this new (and very welcome) strategy:

The survey has proved conclusively what has long been held theoretically to be true, that wants are almost insatiable; that one want satisfied makes way for another. The conclusion is that economically we have a boundless field before us; that there are new wants which will make way endlessly for newer wants, as fast as they are satisfied. . . . Our situation is fortunate, our momentum is remarkable.¹⁵

Instead of leisure being relaxed activity, it was transformed into an opportunity for increased consumption—even consumption of leisure itself (as in travel and vacations). Henry Ford concurred:

Where people work less they buy more . . . business is the exchange of goods. Goods are bought only as they meet needs. Needs are filled only as they are felt. They make themselves felt largely in the leisure hours.¹⁶

The Hoover Committee agreed. Leisure was not, in fact, an excuse to relax. It was a hole to fill up with more wants (which, in turn, required more work to pay for them). Somehow the consumer solution satisfied both the industrial hedonists hell-bent on achieving a material paradise and the puritans who feared that unoccupied leisure would lead to sin. In fact, the new consumerism promoted all the deadly sins (lust, covetousness, gluttony, pride, envy) *except* perhaps anger and sloth.

Only mildly subdued by the Depression, consumerism returned with added vigor in the post-World War II era. In 1955 U.S. retailing analyst Victor Lebow observed:

Our enormously productive economy . . . demands that we make consumption our way of life, that we convert the buying and use of goods into rituals, that we seek our spiritual satisfaction, our ego satisfaction, in consumption. . . . We need things consumed, burned up, worn out, replaced, and discarded at an ever increasing rate.¹⁷

And thus the rat race was born, leading to our excruciating balancing act between working more to buy luxuries and having enough leisure to enjoy them. In our initial enthusiasm for our new status as consumers, we learned to assert our rights, standing up to unscrupulous business. "Rights," however, have since taken on a different hue.

The Right to Buy

Americans have come to believe, deeply, that it is our right to consume. If we have the money, we can buy whatever we want, whether or not we need it, use it or even enjoy it. After all, it's a free country. And if we don't have the money . . . heck, what are credit cards for? Born to shop. Whoever dies with the most toys wins. Life, liberty and the pursuit of material possessions.

In the coming years, our right to consume what we want, when we want, how we want and where we want will be called increasingly into question as we struggle with the issues of the global marketplace, human rights, free trade, environmental damage and dwindling resources. Wouldn't it be easier to wage our personal battles with our urge to splurge *before* the public battles heat up—and light up our excesses? Instead of going for the gold we can go for the Goldilocks joys of having neither more nor less but just enough—before circumstances make us change. It's so much easier to be good by choice than by coercion.

To Buy Is Right

Having challenged and confronted this sacred cow called the right to consume, we can look at another kind of "right."

We have absorbed the notion that it is *right* to buy—that consuming is what keeps America strong. If we don't consume, we're told, masses of people will be thrown out of work. Families will lose their homes. Unemployment will rise. Factories will shut down. Whole towns will lose their economic base. We *have* to buy widgets to keep America strong.

Part of why our "consumers" have less money to spend is that saving has clearly become un-American. Even the language of modern economics promotes consumption. What else would we do with "disposable" income besides dispose of it—we certainly wouldn't want to keep it around where it would just rot!

So if consuming is the way to keep the economy strong and savers are people willing to put their fellow citizens out of work, a day at the mall can be considered downright patriotic. Indeed, following the 9/11 terrorist attacks the U.S. president and other elected officials encouraged us to fight back by going shopping.

The only down side is that our rising expectations have outstripped our incomes, leaving the average consumer-patriot increasingly in debt. This puts us in a bind: the only way for us to exercise our economic patriotism is to go deeper into debt. We are in a no-win situation. You're wrong if you buy and wrong if you don't.

All of this is exacerbated by advertising. The average American child aged two to eleven sees more than 25,000 advertisements a year alone.¹⁸

In 2006, advertising in the United States was a nearly \$300 billion industry—roughly \$1,000 for every U.S. citizen.¹⁹

Marketing theory says that people are driven by fear, by the promise of exclusivity, by guilt and greed, and by the need for approval. Advertising technology, armed with market research and sophisticated psychology, aims to throw us off balance emotionally—and then promises to resolve our discomfort with a product.

At the same time, between the ads, our televisions, radios and newspapers are reporting the bad news about the environment. Product packaging is clogging the landfills. Product manufacturing is contributing to climate change, polluting the groundwater, deforesting the Amazon, fouling the rivers, and lowering the water table. If I wear clothes made from conventionally grown cotton, I'm encouraging massive pesticide use. If I wear synthetic fabrics, I use fossil fuels. If I wear nothing, I'm putting people out of work. It's damned if we do and damned if we don't—and even damned if we dam, as the Pacific Northwest is learning, since its hydroelectric power dams are making it nigh on to impossible for most salmon to swim upstream to spawn.

It seems there is no way consumers *can* be "right." Everything we do exacts a cost from the environment. Even the new fad of "green consuming"—buying products that are less environmentally damaging—is only *less* stressful to the earth and by no means benign.

Clearly we don't think about this as we're driving to work in the morning. We don't ponder, "To consume or not to consume, that is the question." But the notion that it's right to consume bumps daily into the admonition that we're deep in debt personally and playing Russian roulette with the environment besides.

But what can we do? How in the midst of our busy lives can we become aware of, much less do something about, the enormous problems we're facing? "What can one person do?" we ask, and then change stations on the radio. And so we continue, making a stab at changing one week, bingeing the next and depending on denial to shield us from the tough choices ahead.

If we continue to rely on making small, token changes, however, we will merely slow our headlong rush toward a diminished and impoverished future. What's needed isn't change, it is transformation. Change seeks different solutions to intractable problems. Transformation asks different questions so that we can see the problems in a new

light. Transformation doesn't just try a new set of solutions to intractable problems, it asks a new set of questions that allows us to see the problems themselves in a new light.

We need to shift from an ethic of growth to an ethic of sustainability, which will certainly require each one of us to transform our relationship with money and the material world. Transforming our relationship with money and reevaluating our earning and spending activity could put us and the global commons back on track. We need to learn from our past, determine our present reality and create a new, reality-based relationship with money, discarding assumptions and myths that don't work. We need a new road map for money and materialism—one that is truly in tune with the times.

THE BEGINNING OF A NEW ROAD MAP FOR MONEY

What makes consuming so all-consuming? While advertising and industry may have conspired to sell us on materialism, the fact is, we bought it. What is it in us that was so easily distracted from life's deeper pleasures?

Psychologists call money the "last taboo." It is easier to tell our therapist about our sex life than it is to tell our accountant about our finances. Money—not necessarily how much we have, but how we feel about it—governs our lives as much or more than any other factor. More marriages are wrecked by money than any other factor. Why?

Patterns of Belief

To begin to understand this, we need to understand a bit about the human mind. Numerous sources, from modern brain researchers to ancient Eastern philosophers, seem to agree on the basic notion that the mind is a pattern-making and pattern-repeating device. Rather than having a fixed behavioral response for every stimulus, as some animals do, humans tend to *create* patterns of response. Some come from personal experience, primarily in the first five years of life. Some are genetic. Some are cultural. Some seem to be universal. All of them are there, presumably, to increase our chances of survival. Once a pattern is recorded, once it's been tested and deemed useful for survival, it becomes very hard to change. We salivate to the smell of sautéing

onions, step on the brakes at the sight of a red light and pump adrenaline when someone yells, "Fire!" Clearly we couldn't survive if we didn't have these huge libraries of interpretations coupled with behaviors. But here's the rub: not all (or even a majority) of these patterns have anything to do with objective reality—yet they persist, governing our behavior. They are so tenacious, in fact, that we will often ignore or deny reality itself in favor of one of our interpretations. The snakes on a child's bedroom floor that are banished if Mother leaves the door ajar are an obvious example of an absurd but convincing interpretation of reality. We usually call such obviously erroneous notions superstitions. But which of our many beliefs are superstitions, and which are fact?

Does walking under a ladder or breaking a mirror really bring bad luck? Most of us are beyond such primitive superstitions. But what about other, less suspect beliefs? How do we catch a cold? By going outdoors with a wet head? By being exposed to germs? The former we recognize as an old wives' tale, but the latter? After all, there are people who don't get the cold going around the office. Did the germs skip them? Could the germ theory be just a modern superstition? Which of our beliefs will look quaint to future generations?

What Do Our Actions Say?

As with the flat Earth and the snakes in the bedroom, there are many realities that our financial beliefs and our financial behavior do not take into account. Although we are largely unconscious of our financial belief system, our blindness condemns us to prisons of our own making.

While we might vigorously maintain that we know that "money can't buy happiness" and "the best things in life are free," honesty requires that we look deeper. Our behavior tells a different story.

What do we do when we are depressed, when we are lonely, when we feel unloved? More often than not we buy something to make us feel better. A new outfit. A drink (or two). A new car. An ice cream cone. A ticket to Hawaii. A goldfish. A ticket to the movies. A bag of Oreos (or two).

When we want to celebrate good fortune, we buy something. A round of drinks. A catered wedding. A bouquet of roses. A diamond ring.

When we are bored, we buy something. A magazine. A cruise. A board game. A bet on the horses.

When we think there must be more to life, we buy something. A workshop. A self-help book. A therapist. A house in the country. A condo in the city.

None of this is wrong. It's just what we do. We have learned to seek external solutions to signals from the mind, heart or soul that something is out of balance. We try to satisfy essentially psychological and spiritual needs with consumption at a physical level. How did this happen?

Here's an illustration.

The Fulfillment Curve

The Fulfillment Curve (see Figure 1-2) shows the relationship between the experience of fulfillment and the amount of money we spend (usually to acquire more possessions). In the beginning of our lives, more possessions did indeed mean more fulfillment. Basic needs were met. We were fed. We were warm. We were sheltered. Most of us don't remember the fear of hunger and cold that was remedied by just a blanket and a breast—but we all went through it. When we were uncomfortable, when we cried, something came from the outside to take care of us. It seemed like magic. Our needs were filled. We survived. Our minds recorded each such incident and *remembered*: look outside yourself and you will be fulfilled.

We then went from bare necessities (food, clothing, shelter) to some amenities (toys, a wardrobe, a bicycle), and the positive relationship between money and fulfillment became even more deeply embedded. Remember your excitement as a child when you got a toy you'd been dying for? If our parents were being responsible, they soon taught us, "Those things cost money, dear. Money that we go out and earn for you—because we love you." We got an allowance to learn the value of money. We could select and purchase happiness ourselves! And so it went, year after year. There was the prom tux and corsage. The tennis racket.

Eventually we slipped beyond amenities to outright luxuries—and hardly registered the change. A car, for example, is a luxury that the vast majority of the world's population never enjoys. For us, however,

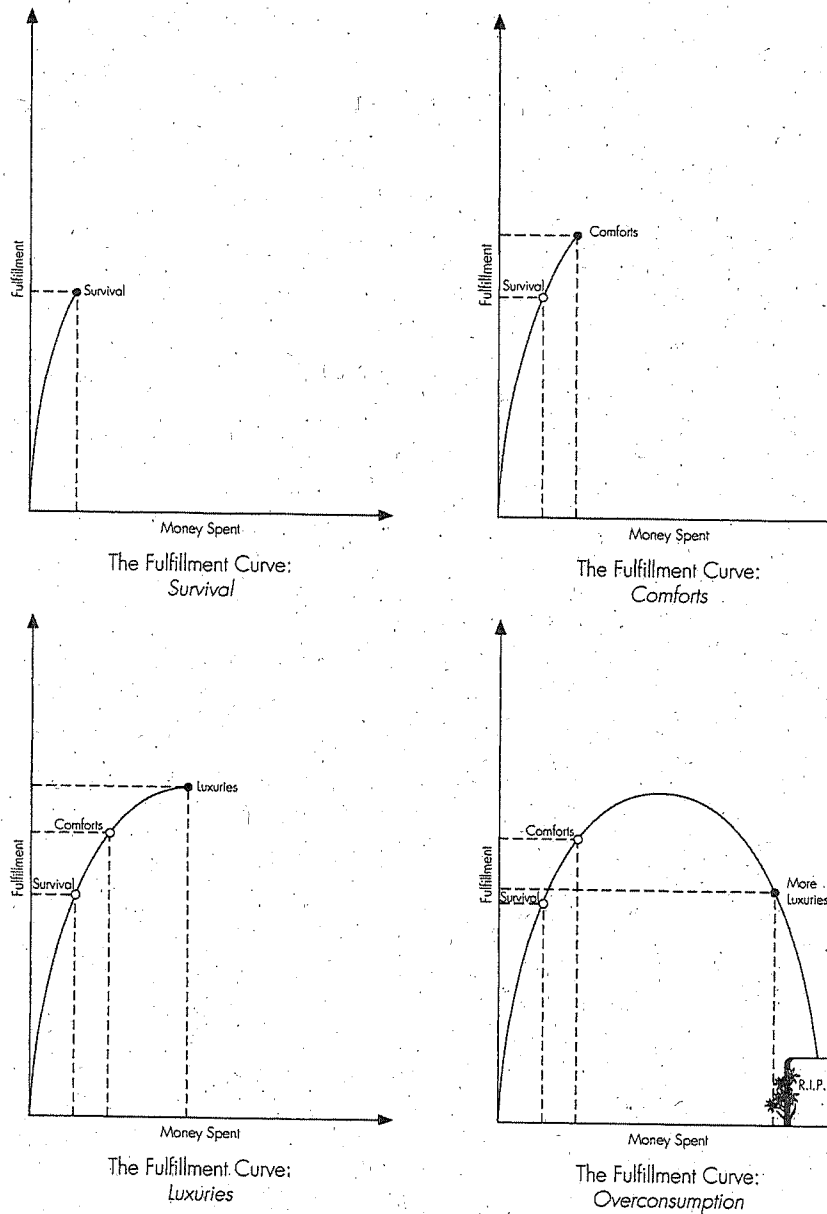


FIGURE 1-2
Evolution of the Fulfillment Curve

our first car is the beginning of a lifelong love affair with the automobile. Then there's the luxury of our first trip away from home. For many of us, there was going away to college. Our first apartment. Notice that while each one was still a thrill, it cost more per thrill and the "high" wore off more quickly.

But by now we believed that money equals fulfillment, so we barely noticed that the curve had started to level out. On we went into life. House. Job. Family responsibilities. More money brought more worry. More time and energy commitments as we rose up the corporate ladder. More time away from the family. More to lose if we were robbed, so more worry about being robbed. More taxes and more tax accountants' fees. More demands from community charities. Therapists' bills. Remodeling bills. Just-keeping-the-kids-happy bills.

Until one day we found ourselves sitting, unfulfilled, in our big home on two and a-half wooded acres with a three-car garage and expensive exercise equipment in the basement, yearning for the life we had as poor college students who could find joy in a walk in the park. We hit a fulfillment ceiling and never recognized that the formula of money = fulfillment not only had stopped working but had started to work against us. No matter how much we bought, the Fulfillment Curve kept heading down.

Enough—The Peak of the Curve

There's a very interesting place on this graph—it's the peak. Part of the secret to life, it would seem, comes from identifying for yourself that point of maximum fulfillment. There is a name for this peak of the Fulfillment Curve, and it provides the basis for transforming your relationship with money. It's a word we use every day, yet we are practically incapable of recognizing it when it's staring us in the face. The word is "enough." At the peak of the Fulfillment Curve we have enough (see Figure 1-3). Enough for our survival. Enough comforts. And even enough little "luxuries." We have everything we need; there's nothing extra to weigh us down, distract or distress us, nothing we've bought on time, have never used and are slaving to pay off. Enough is a fearless place. A trusting place. An honest and self-observant place. It's appreciating and fully enjoying what money brings into your life and yet never purchasing anything that isn't needed and wanted.

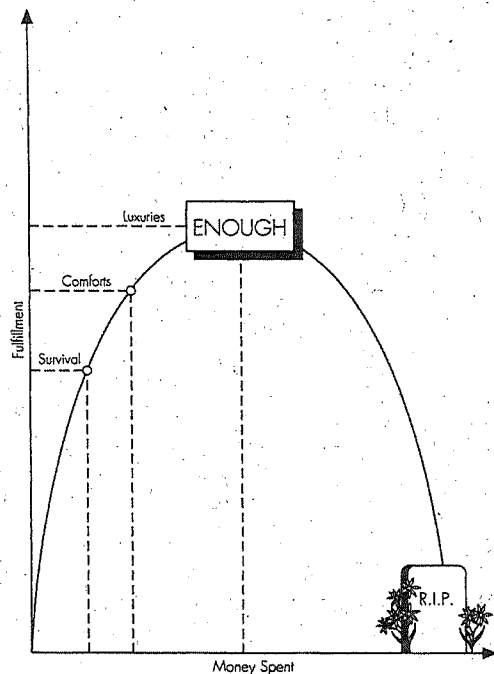


FIGURE 1-3

The Fulfillment Curve: *Enough*

Once you have discovered what is enough for you, your Fulfillment Curve can reverse direction and head straight up. Stay tuned.

Clutter—A Fate Worse Than Dearth

So what's all that stuff beyond enough—beyond the peak, where the Fulfillment Curve begins to go down? Clutter, that's what! Clutter is anything that is excess—for you. It's whatever you have that doesn't serve you, yet takes up space in your world. To let go of clutter, then, is not deprivation; it's lightening up and opening up space for something new to happen. As self-evident as these ideas may be, many people experience a subtle (or not so subtle) resistance to letting them in. This is why downscaling, frugality and thrift sound like deprivation, lack and need. On the contrary! Enough is a wide and stable pla-

teau. It is a place of alertness, creativity and freedom. From this place, being suffocated under a mountain of clutter that must be stored, cleaned, moved, gotten rid of and paid for on time is a fate worse than dearth.

While writing this book, we received a letter from a single mother who was following the FI program. She had been on the brink of building a hot tub when she got one of our occasional newsletters. Like a cartoon character, she stopped midstride and asked, "Do I really want a hot tub?" After all, she reasoned, I can soak in a hot bathtub. The hot tub will be just one more thing to clean, maintain, buy chemicals for and fix. Thinking further, she recognized that she could move her washing machine up from the cellar, where she has to lift a heavy hatch to even get to it, and put it in the hot-tub space. That way she could do her laundry without straining her back (saving money on chiropractor bills), eliminate the expenses of building and maintaining the hot tub, save the time she would have spent being hot-tub social secretary for her friends—and still enjoy hot baths. A win on all counts! She experienced what most people experience when they resist being lured down the slippery slope of clutter: relief.

Stations of the Crass

What creates clutter? The Fulfillment Curve strongly suggests that most clutter enters our lives through the "more is better" door. It comes from the disease of materialism, of looking for inner fulfillment in outer possessions. It comes from the early programming that discomfort can be alleviated by something external—a baby bottle, a blanket, a bicycle, a B.A., a BMW or, eventually, another kind of bottle.

It also comes from unconscious habit. Take gazingus pins. A gazingus pin is any item that you just can't pass by without buying. Everybody has them. They run the gamut from pocket calculators and tiny screwdrivers to shoes, pens and chocolate kisses. So there you are in the mall, a shopping robot on your weekly tour of the stations of the crass. You come to the gazingus-pin section and your mind starts cranking out gazingus-pin thoughts: Oh, there's a pink one . . . I don't have a pink one . . . Oh, that one runs on solar cells . . . That would be handy . . . My, a waterproof one . . . If I don't use it I can always give it away . . . Yum, this one has hazelnuts in it . . . and coconut . . . and amaretto . . . never had one of those before . . . and before you know

it, an alien arm (attached to your body) has reached out and picked up the gazingus pin, and off you go to the checkout, still functioning like a windup zombie. You arrive home with your purchase, put it in the gazingus-pin drawer (along with the five or ten others) and forget about gazingus pins until your next trip to the mall, at which point you come to the gazingus-pin section and . . .

Faces and Functions of Clutter

Just because something is out of sight doesn't mean it isn't clutter. Our various gazingus-pin drawers—including our attics, basements, garages, closets and storage sheds—are havens of clutter, filled with projects and products we'll probably never use. Unfinished projects sap you of vitality. Clothing discarded after a few wearings leaves a vague feeling of dissatisfaction and superficiality.

One friend had a garage filled with electronic parts and other valuable doohickeys collected over many years, most of which he knew he'd never use. But if he cleaned out his garage, he'd have to admit his house was too big for him and his wife now that the kids were grown. If he did that, he'd have to move. If he did that, he'd have to admit that his marriage had died many years earlier, but that he was too scared to leave. It was easier to ignore the garage and hang on to the clutter.

Once you catch on to what clutter is, you'll find it everywhere. Isn't meaningless activity a form of clutter? How many of the power lunches, cocktail parties, social events and long evenings glued to the computer or TV screen have been clutter—activities that add nothing positive to your life? What about disorganized days, full of busyness with no sense of accomplishment? And what about items on your To Do list of tasks that never get done? Stumbling over them, week in, week out, on your list is like the frustration of navigating the perennial newspapers and kids' toys that litter some people's living rooms.

There is also sound clutter. Is it any wonder that clutter and clatter are only one letter apart? For many of us there are the noises of city life and of our workplaces that we filter out daily. For denizens of urban canyons the silence of the desert can be deafening. While not everyone is cut out to be a desert-dweller, it's a sad commentary on modern life to realize what a luxury it is to have control over our aural

environment, enjoying only the sounds of nature and good conversation. Instead, there's the cacophony of cars and buses, television and radio, microwaves and dishwashers, and trivial chatter. All of it is clutter—elements in your environment that don't serve you yet take up space. There are cluttered motives, such as when we are of many minds about everything from public policy to personal decisions. Unplanned errands are often clutter—running to the store twice a day for items forgotten on your weekly shopping. Hobbies are clutter-intensive when the ratio of what you have to what you use climbs—like the photography buffs with suitcases full of lenses and filters who get their best shots with a pocket digital.

As your awareness of clutter deepens, you'll be inspired to spring-clean your whole life. As you follow the nine steps outlined in this book, you will develop your own personal definition of clutter and will slowly, painlessly, even joyfully, rid yourself of it. The first step will be to examine the past so you can understand and take responsibility for the present.

Step 1: Making Peace with the Past

Are you ready to survey your own relationship with money and the things that money can buy? The purpose of this exercise is to increase your awareness, not your arrogance or your shame. It serves to locate you in time and space, to review—without blame—your earning and spending activity in the past.

A caveat before we continue. **Stop. Read this. It's important. While this is Step 1 of the FI program, you don't have to do it first.** And you don't have to stop reading until you do it. You need to do it eventually, but you could start with Step 2 and come back to this step later. In fact, we suggest that you read the whole book first, rather than doing each step as it comes up; then come back and get started.

There are two parts to this step:

- A. Find out how much money you have earned in your lifetime—the sum total of your gross income, from the first penny you ever earned to your most recent paycheck.**
- B. Find out your net worth by creating a personal balance sheet of assets and liabilities:**

A. HOW MUCH HAVE YOU EARNED IN YOUR LIFE?

Initially this task may seem impossible. "I haven't kept track!" you may protest. A little bit of archaeology pays off. First, dig out your copies of old income-tax returns. Adjust the figures to reflect any cheating you did—tips you didn't report, jobs that paid you under the table, informal consulting, gambling winnings, gifts from relatives that went unreported, any money you've stolen, cash prizes you've won, rent collected from the extra room in your house or the extra house you never use, and all other unreported income. Go down memory lane to those summer jobs you had during high school and college, and all the twists and turns of your own financial meandering through adulthood. Spend a few days with whatever financial records you may have stashed away: check stubs, bankbooks, paycheck stubs, old abandoned account books. If you have a résumé, use it as an outline for a year-by-year job history. Tell the truth about those three years you glossed over as "further career training": what odd jobs did you have and how much did you earn picking apples, house-sitting or watering the neighbors' plants and animals?

For those of you who live in the United States and have been salaried employees your entire working lives, the Social Security Administration has also kept a record. Contact your local or state office or the national one and apply for a Statement of Earnings form. But if no records exist anywhere, even in the computers at Social Security, estimate as best you can. The object is to get as accurate and honest a figure as possible for the total amount of money that has entered your life.

The Value of Step 1

This step is useful in several ways:

1. It clears the fog shrouding your past relationship with money. Most people have no idea how much money has entered their lives, and therefore no idea how much money *could* enter their lives.
2. It eradicates such myths and false self-concepts as "I can't earn very much money" and even "I don't have to worry, I can always earn lots of money" (often said by individuals being supported by someone else). If you are one of the many who grossly underestimate how

much money has entered their lives, this step can be amazingly powerful. You are worth more than you thought.

3. It gets you to ground zero, enabling you to begin the financial program with a clear head and confidence in your wage-earning ability.

4. It allows you to see and let go of any skeletons from the past you may have in your closets—any secrets or lies that may be distorting your current relationship with money.

The power of this step can be seen in this story about a divorcee in her mid-thirties who had attended one of our seminars. She had been a suburban housewife most of her adult life, afflicted with the mental malady that often accompanies this profession: she had an image of herself as dependent, unworldly and (if the truth be known) unworthy. She "knew" this step didn't apply to her: after all, she had made no financial contribution to her marriage and was, to that day, ashamed of accepting the divorce settlement money—money she felt she hadn't earned. But, faithful to the warnings about every step being essential, she sent away for her Statement of Earnings—and learned that she had earned over \$25,000 from assorted odd jobs during those years of her marriage when she was contributing "nothing." In the mirror of that statement, she saw herself for the first time as a competent wage-earner. Merely doing this step gave her the confidence to apply for and land a job at twice the salary she had previously assumed she was worth.

Useful Attitudes

No shame, no blame. This step may bring feelings of self-criticism—even shame—to the surface. Here's a way to work through those gently, a valuable exercise that people use to help them thoroughly "change their minds" and learn to think in new ways. Some people call it by its Sanskrit name, mantra, but it's really any simple word or phrase that embodies a particular attitude or attribute you want to focus on. Counting to ten is a sort of mantra for people who are quick to anger. Very often parents and other people who deal on a regular basis with irrational behavior will repeat "Patience, patience, patience" before responding to the latest crisis. A mantra is like a rudder, something that allows you to steer your mind away from danger and toward a

clear, open horizon. A useful mantra for following this financial program is "No shame, no blame."

In choosing to change unwanted behavior, there is a difference between "recrimination" and "discrimination." Recrimination is about shame and blame, good and evil, while discrimination sorts out the true from the false. Sinking into blame and shame slows your progress toward financial freedom. Recrimination immobilizes, demoralizes and distracts you. Discrimination, however, simply shines a bright light on potential pitfalls so that you can skirt them.

You may stumble repeatedly over the desire to blame yourself (or other people) based on what you learn by following this program. At those times, remember discrimination and remember the mantra: No shame, no blame. As a case in point, your lifetime earnings represent just *a* number, not *your* number. That figure is neither too much nor too little. It does not prove your worth or your unworthiness; it is justification neither for despair because none of the money is left nor for gloating because your friend earned so much less.

Impeccability. Since accuracy and accountability are called for in every step of the program, starting out that way sets a good example for you to live up to. When you do this step (and the others in this book) set your sights on impeccability—have you *really* searched your files and your memory banks for *all* your income? Yes, you could settle for a "close enough" answer—but we suggest you go for the former, since the power of this program increases with every ounce of honesty and integrity you invest in it. Rounding to the dollar takes a lot of soul and paycheck stub searching. Rounding to the \$100 is looser, but over a lifetime that might be plenty. Rounding to the \$1,000. . . . well, people who do a halfhearted job often get a life to match!

CHECKLIST

1. Statement of earnings from Social Security
2. Income-tax returns
3. Checkbook records
4. Old and current bankbooks
5. Gifts
6. Winnings

7. Loans
8. Capital gains
9. Illegal sources
10. Contract labor not reported to the IRS (tips, babysitting, errands)

B. WHAT HAVE YOU GOT TO SHOW FOR IT?

For the years you have been working for wages, a certain amount of money (which you just calculated) has entered your life. The amount that is left in your life now is your *net worth*.

Be Prepared. You will be calculating your net worth (your total assets minus your total liabilities), perhaps for the first time in your life. Brace yourself. You may discover that you are deeply in debt, and until this moment you have been unaware of the awful extent of it. Now is the time to face that truth. It's like getting on the bathroom scale after the holidays: there's a little sting, and then the chance to make some changes. On the other hand, you may make the delightful discovery that you are in a position to be financially independent *now*. Many people have made that discovery, simply from doing this step.

There is an implied challenge in the phrasing of this step: "What have you got to show for it?" Say it out loud. Use different intonations. It usually comes out sounding a bit critical—snotty, even. Your commitment to Financial Integrity is stronger than your faintheartedness, however. So on with it: What do you have to show for all those dollars that have entered your life? Let's find out.

Creating a Personal Balance Sheet simply means going through your material universe and listing everything you own (*assets*) and everything you owe (*liabilities*).

Liquid Assets

Cash, or anything that can easily be converted to cash, belongs in this category. Include the following:

- ♦ Cash on hand—include the piggybank, the change on your dresser, the emergency money hidden in the glove compartment.

- ♦ Savings accounts. Look for old bankbooks that you may have forgotten about, and that account that you opened with the minimum \$100 to get the Free Bonus Digital Doohickey.
- ♦ Checking accounts.
- ♦ Savings certificates or certificates of deposit.
- ♦ U.S. savings bonds (including that one you got as a graduation gift and have since forgotten).
- ♦ Stocks. List at current market value.
- ♦ Bonds. List at current market value.
- ♦ Mutual funds. List at current market value.
- ♦ Money market funds. List at current market value.
- ♦ Brokerage account credit balance.
- ♦ Life insurance cash value.

Fixed Assets

In listing these, start with the obvious: the market value of your major possessions—e.g., your house, your car (or cars). Contact a realtor for the current market value of your house. Consult the “blue book” (available online or at your library) for the going price on the make, model and year of your car.

Go through your attic, basement, garage and storage shed. Itemize everything worth more than a dollar, without subjective evaluations like “That’s worthless.” Have fortitude. This process alone has stopped several inveterate pack rats, tinkerers and collectors with garages full of real treasures. Realize that you either do it now or someone you love will have to do it after you are gone. If your storage area really is piled floor to ceiling with the accumulation of a lifetime, you might want to leave it until last, so you don’t get overwhelmed.

Go through every room of your house and inventory *everything*. Look up at those decorative light fixtures. Look down at that rug. How about the nice walnut shelves you put in a few years ago, and those Indian artifacts? Confront your clutter squarely. Be thorough, but not irrational—that is, not every knife, spoon and fork has to be listed individually, but do list separately that expensive rosewood-handled carving set with the mahogany case. And the two sets of dishes that are still in their boxes.

Give an approximate cash value to everything you own. That means *current* cash value, what you could get for each item at a consignment

shop or garage sale, or via online auction or classified ad sites. For help in pricing your possessions, look at online auction or classified listings, or the “For Sale” classifieds in your local newspaper. Get your more valuable personal or household items appraised.

Don’t ignore anything. One person’s useless junk is another’s precious antique. Just because you don’t value an item doesn’t mean it has no value.

Don’t overlook debts owed to you, at least those you can reasonably expect to collect. Include security deposits on utilities, phone, house or apartment rental.

Any material that can be converted into cash should be listed. You are playing the role of appraiser for your own estate. Let it be an enjoyable exercise. You needn’t sell any of it if you don’t choose to, so don’t let sentimentality deter you from your inventory. In fact, don’t allow *any* emotions to waylay you. Don’t let grief dissuade you from assigning a cash value to the power tools your husband left behind. Don’t let embarrassment about your compulsive spending discourage you from pricing the twenty pairs of shoes sitting in your closet unworn. Don’t let guilt keep you from cataloging all the exercise paraphernalia you bought and have never used. Instead, rejoice! You are finally discovering the real value of that stationary bicycle and rebounder: not the pounds you’ll lose but the price they’ll command at a garage sale.

While some people can knock this exercise off in a day or two, one woman took three months to do her inventory. She went through every box, looked at every photo and opened every drawer and cupboard, not only listing the items, but recalling how and why each had come into her life. The process led her into a deep experience of gratitude for what she already had. So much dissatisfaction comes from focusing on what we *don’t* have that the simple exercise of acknowledging and valuing what we *do* have can transform our outlook. Indeed, some people would say that, once we’re above the survival level, the difference between prosperity and poverty lies simply in our degree of gratitude.

Liabilities

This category includes all your debts, whether payable in money, goods or services—everything you owe, from loans to bills outstanding.

If you list as an asset the current market value of your house, include as a liability the balance owed on it. Do the same with the balance on your car payments.

Don't forget to include bank loans or loans from friends, credit-card debts, educational loans and unpaid medical and dental bills.

Net Worth

Add the figures for liquid assets and fixed assets, and subtract from that the figure for liabilities. In the most simplified, concrete, material sense, this is your current net worth. That is what you currently have to show for your total lifetime income; the rest is memories and illusions, as far as the reality of balance sheets is concerned.

We do not include your nonmaterial assets: your education, the skills you have acquired, the goodwill you've bought by treating everyone to a free round of drinks, the tax-deductible receipt from United Way, the well-adjusted personality that cost you eight years of therapy to get, the increased business that comes your way because you belong to the "right" club. Valuable as these may be, they are all intangibles, and as such are impossible to evaluate in the crisp, numeric, objective ways that we are learning to apply to our personal finances.

After completing this evaluation of net worth, some people come to the sober realization that they actually have a negative net worth; some are surprised at how little they have to show for their lifetime earnings; and others are amazed at the quantity and value of the possessions on which they have spent their lifetime earnings.

Whatever you find, it's important to remember that *net* worth does not equal *self* worth.

WHY DO A BALANCE SHEET?

1. While it may not initially appear so, this point in the program is very encouraging. So far your financial life has had very little direction or consciousness. Financially speaking, you have been like someone driving around without any destination—burning gas, spinning your wheels and getting nowhere. You may have many happy memories

and other intangibles, but only a few real souvenirs that could be converted into cash. With the full power and clear direction that taking the reins of your financial affairs will give you, you will have the ability to be far more effective in the world.

2. You now have an overview of your financial status and can objectively choose whether or not to convert some of your fixed assets into cash, thus increasing your savings—or getting a bit further out of debt.

One person, upon completing this step, realized that she could liquidate her excess possessions, invest the proceeds and have enough interest income to immediately be financially independent in comfort and style. While she didn't choose to do that right away, the awareness itself allowed her to take more risks in the direction of her real love, art—and she is still doing the other steps and getting tremendous value.

Another individual realized that he had many possessions that he wasn't using and no longer wanted, but had been hanging on to because he "just might need them someday." His creative solution was to sell these belongings and set aside the proceeds to be used to replace any of them he might find himself in need of in the future. Meanwhile, his money was earning interest, his life became simpler, and someone who really needed those items was getting use out of them.

And remember, **No shame, no blame.** In creating your balance sheet, many feelings associated with your material universe may arise: sadness, grief, nostalgia, hope, guilt, shame, embarrassment, anger. A dispassionate and compassionate attitude can go a long way toward making this step truly enlightening—i.e., able to lighten the physical and emotional loads you've been toting around for so many years.

CHECKLIST FOR CREATING YOUR BALANCE SHEET

Assets, Liquid

Cash on hand
Savings accounts
Checking accounts
Savings certificates or certificates of deposit
U.S. savings bonds

Stocks
 Bonds
 Mutual funds
 Money market funds
 Brokerage account credit balance
 Life insurance cash value

Assets, Fixed

House
 Vacation home
 Car(s)
 Furniture
 Antiques
 Art
 Clothes
 Sound system
 TV(s), DVD(s)
 Wedding dress
 Shoes/handbags
 Lamps
 Jewelry
 Debts owed you
 Security deposits
 Computer(s), printer
 Sports equipment
 Bicycle/motorcycle
 Silverware
 Kitchen: refrigerator, stove, microwave
 Power tools
 Digital camera, video camera

Liabilities

Bank loans
 School loans
 Credit-card debts
 Loans from friends
 Unpaid bills: medical, dental
 Balance on house

Balance on car
 Other time payments

With the completion of this step you have entered the here and now. You have examined and come to terms with your past relationship with money, and you have seen how much money you have been able to earn and what you currently have to show for it in measurable terms. You are now ready to look at the present.

SUMMARY OF STEP 1

- A. Find out how much money you have earned in your lifetime.
- B. Create a balance sheet of your assets and liabilities. What do you have to show for the money you've earned?

4

HOW MUCH IS ENOUGH? THE NATURE OF FULFILLMENT

What is fulfillment? Whether in the sense of accomplishing a goal or enjoying a moment of real contentment, fulfillment is that experience of deep satisfaction when you can say, Aaahh . . . that was a delicious meal, a job well done or a purchase worth the money. To find fulfillment, though, you need to know what you are looking for. It's fairly easy to know what fulfillment is in terms of food or other temporary pleasures. But to have fulfillment in the larger sense, to have a fulfilled life, you need to have a sense of purpose, a dream of what a good life might be.

For many of us, however, "growing up" has meant outgrowing our dreams. The aspiration to write a great book has shrunk to writing advertising copy. The dream of being an inspiring preacher has evolved into being an administrator and a mediator between the factions in the congregation. Instead of really knowing who their patients are, how their patients live or the challenges in their lives, doctors today are plagued with back-to-back fifteen-minute patient visits and malpractice suits. The dream of traveling around the world becomes two weeks a year of hitting the tourist traps. Living a fulfilling and meaningful life seems almost impossible, given the requirements of simply meeting day-to-day needs and problems. Yet, at one time or another practically every one of us has had a dream of what we wanted our lives to be. People with a diagnosis of cancer often get that divorce or take the trip they've been dreaming about or take up a new hobby that's been patiently waiting for its time in the sun.

Wherever you are, take a few moments now to reflect upon your dreams. So many of us have spent so many hours, days and years of our lives devoted to someone else's agenda that it may be hard to get in touch with our dreams. So many of us have whittled away at our uniqueness so that we could be square pegs in square holes that it seems slightly self-indulgent to wonder what kind of hole we would be inclined to carve for ourselves. Indulge yourself now. Stare out a window. Shut your eyes. And envision what would be a truly fulfilling life for you. To help you get started on this journey, ask yourself the following questions:

- ♦ What did you want to be when you grew up?
- ♦ What have you always wanted to do that you haven't yet done?
- ♦ What have you done in your life that you are really proud of?
- ♦ If you knew you were going to die within a year, how would you spend that year?
- ♦ What brings you the most fulfillment—and how is that related to money?
- ♦ If you didn't have to work for a living, what would you do with your time?

You may want to write your answers down. These questions help you focus on what you truly value, what makes your life worth living. In this next step, you'll be finding out how well your spending is aligned with those values.

EVERYBODY'S GOT A DREAM

Some people have fairly conventional dreams, the kinds many Americans would cherish.

Amy and Jim D., for example, had a simple dream. They wanted to raise a family in a big farmhouse in a rural area. When they got married they had, between the two of them, logged more than twenty years in the workaday world—Jim as a career navy man and Amy as a graphic artist—yet by the mid-1980s they had only \$1,500 in savings to show for it. Their first child, according to Amy, was born "nine months and fifteen minutes after we were

married." They recognized that they valued family and community above the fast lane of life in which they had both been living and decided to raise their children and realize their dream on only one income—Jim's salary from the navy.

To realize their dream they called upon all the frugality training they'd gotten from their thrifty parents and devised scads of new strategies for saving money. Neither had any sense of deprivation. They thrived on this challenge to their creativity, and their relationship thrived on their shared purpose. In seven years they had four children and saved \$49,000 by the late 1980s (all from Jim's income, which at that time was under \$30,000 a year; Amy stayed home with the kids)—enough to make a down payment on a rural farmhouse in Maine, pay off all debts and buy a new car, furniture and appliances. Two years after that, Amy decided to put her graphic skills to work and create a forum where frugal ideas could be exchanged. In June 1990 she published the premier issue of *The Tightwad Gazette*, an eight-page newsletter full of practical tips about living the good life on a shoestring.¹ A year later they had twins—and were still able to live within their means. Their story is testimony to the fact that simple dreams, like having a house in the country and staying home to raise a family, are truly within reach.

Other people have more unconventional dreams:

Wes L.'s passion is nature—both being in it and preserving it. For him the FI program is a way to do what he's always wanted to do: contribute to humanity's understanding of and respect for the natural world—full-time. He's aligning as many parts of his life as possible with this dream. His paid employment is as a chemist measuring air quality. He's moved within walking distance of work so he won't contribute as much to the air pollution he's measuring. On vacations he kayaks through unspoiled wilderness areas, and on weekends he teaches kayaking to help others experience nature safely and respectfully. And with his "disposable income" he builds up his savings and supports major conservation organizations. The compass of his life is the natural world, and every aspect of his life points in that direction.

And some people look forward to fulfilling a number of dreams.

Kees and Helen K. are a case in point. Kees was a physician and the medical director of a clinic that provides medical care to minorities and migrant

workers. Helen was a former teacher active in the programs of a number of nonprofit organizations who also held down the fort for her family. They loved their lives but looked forward to an "empty nest" so that they too could fly the coop. The financial program gave them a way to retire from their paid employment at the same time they retired from being full-time parents. They moved to a small town and bought land that became the heart of an "eco-village"—an intentional community committed to sustainability on every level possible. Helen is now a force of nature in this new community and also has time for her painting.

Step 4 of this financial program allows you to evaluate your priorities and rebalance your accounts. It allows you to take your dreams out of hock and reincorporate them into your everyday, making-a-dying life. Eventually, you'll find you are finally making a living!

Step 4: Three Questions That Will Transform Your Life

In this step you evaluate your spending by asking three questions about the total spent in each of your subcategories:

1. Did I receive fulfillment, satisfaction and value in proportion to life energy spent?
2. Is this expenditure of life energy in alignment with my values and life purpose?
3. How might this expenditure change if I didn't have to work for a living?

To do this step, go back to your Monthly Tabulation form and notice the three blank rows along the bottom. This is where you will write the answers to our three questions (see Figure 4-1). You have already converted "dollars" to "hours of life energy"; now you can take a look at how you want to spend that precious commodity. These three questions, applied to each spending subcategory on your Monthly Tabulation, will give you a basis for evaluating the way you spend your money.

	FOOD			CLOTHING		
	At Home	Outside	Entertaining	Necessary	Work	Special
	53.36	33.55	8.47	3.23	9.00	37.62
	30.24	5.24		15.04	52.66	54.94
	7.78	.83			82.75	
	4.86	4.36				
	11.77	.53				
		.60				
		15.21				
		20.82				
		.60				
		1.13				
		.75				
		1.20				
		1.62				
		6.02				
Dollars	108.01	92.46	8.47	18.27	144.41	92.56
Hours of Life Energy	18	15	1 1/2	3	24	15
Fulfillment	0	-	+	0	0	-
Alignment	0	-	+	0	0	-
After FI	0	-	+	0	-	0

HEALTH			RECREATION			
Prescription Drugs	Nonprescription Drugs	Doctor	Concerts	Movies	Hobbies	Alcohol
12.29	8.15	82.75	75.22	6.75	2.98	5.99
16.28	4.81	27.08		6.75	4.66	10.00
6.97				15.00	37.61	2.63
						3.01
						8.43
						6.85
						9.78
35.54	12.96	109.83	75.22	28.50	45.25	46.49
6	2	18	12 1/2	5	7 1/2	8
0	0	0	0	0	+	-
0	0	0	-	0	0	-
-	0	-	-	0	0	-

Key: Fulfillment = Did I get fulfillment from this expenditure of life energy?
Alignment = Was this expenditure of life energy in alignment with my stated life purpose?
After FI = How much might I spend in this category if I didn't have to work for a living?
+ = increase for more fulfillment
- = decrease for more fulfillment
0 = OK as is

FIGURE 4-1
Typical Monthly Tabulation—with the Three Questions

QUESTION 1: DID I RECEIVE FULFILLMENT, SATISFACTION AND VALUE IN PROPORTION TO LIFE ENERGY SPENT?

This question provides a way to evaluate your expenditures. Take a look at each subcategory with this question in mind. If you received so much fulfillment from this expense of life energy that you'd even like to increase spending in this subcategory, place a + (or an up arrow) in the first box. If you received little or no fulfillment from it, put a - (or a down arrow) in that box. If the expense feels OK just as it is, mark the box with a 0.

This simple exercise will show you where your spending is so automatic, or even addictive, that your life energy flows in that direction while fulfillment lies in the opposite. You might even find your "shopping weaknesses," your gazingus pins. At first you might angrily defend one or another of your gazingus-pin habits. "I like having lots of shoes. Every pair has a function. Anyway, it's my money." But no one is trying to take your gazingus pins away from you. In fact, no one is even listening, since the honesty required by this exercise emerges most readily in solitude. Over time, seeing the number of hours of your life you spent in order to reward yourself with yet another gazingus pin might make it less of a treasure and more of a booby prize.

Evy M., an intensive-care nurse, talked about her pet purchase: "I discovered that every month I bought at least one new pair of shoes, wore them a few times and then placed them in the back of my closet with the other forty-plus pairs—making room for my next new shoes. I calculated that in one month I spent ten hard hours at work to pay for one pair of shoes. A large minus sign went in the box under my category for shoes. No amount of rationalization could keep me from seeing the simple truth: I did not get value from having so many pairs of shoes."

On the other hand, you might find you've been too much of a penny-pincher in categories where you get a lot of fulfillment. Make sure you note these areas of supreme satisfaction and put your + (or up arrow) in the columns where you are actually *underspending*.

The trick to doing this evaluation is to do it objectively, without rationalizing to yourself why the expenditure was so high or so low and without condemning yourself by agonizing about how *you* could have spent *that much* in *that category*. The key phrase to remember is "No shame, no blame."

Couples have also found this step a valuable way to discuss differences in their spending habits with equanimity and objectivity.

Ted and Martha P. discovered that this question provided a gentle way to evaluate each other's spending patterns without getting defensive or adversarial. Rather than directly challenging one of Ted's purchases, Martha can just calmly ask whether he really got fulfillment, satisfaction and value in proportion to the amount of life energy spent. They find that they are able to observe—and even comment on—each other's gazingus pins with a lot more compassion. For Martha it's books. For Ted it's phones (he has one in every room—and some don't always work). Being able to discuss financial choices without subtle bickering has been invaluable for them and has actually helped their marriage.

Developing an Internal Yardstick for Fulfillment

Answering this question helps you develop an **internal yardstick for fulfillment** and in the process kick any unhealthy shopping habits. You may discover that you've been measuring your fulfillment, or lack of it, by what those around you have or by what advertising says you should want. Being fulfilled is having just enough. Think about it. Whether it's food or money or things, if you don't know, from an internal standard, what is enough, then you will pass directly from "not enough" to "too much," with "enough" being like a little whistle-stop town. You blink and you've missed it. You will rarely have an experience of fulfillment. By diligently working with this question you will begin to identify, for yourself, an internal yardstick that you can use to measure how much is enough.

The primary tool for developing this internal yardstick is awareness. The affluence that surrounds us has been called the American Dream, and with good reason: we've been asleep. We wake up by questioning the dream. **Asking yourself, month in, month out, whether you actually got fulfillment in proportion to life energy spent in**

each subcategory awakens that natural sense of knowing when enough is enough.

You come to differentiate between a passing fancy and real fulfillment, that point of perfect balance where desires disappear because they have been completely met. Any less would be not enough. Any more would be too much. A fulfilling meal is one where all the flavors, smells and textures blend perfectly and your appetite is satisfied without even a trace of the discomfort of having overeaten. In the same way, a fulfilling car is one that meets your transportation needs perfectly, that is pleasing enough to the eye, that you will enjoy owning for many thousands of miles, that doesn't insult your wallet or your values and that, with good maintenance, will be both reliable and a pleasure to drive. Your internal yardstick would dismiss any superficial desires to impress others, to relieve the boredom of driving a two-year-old car, to own a Lexus because you want the status symbol or to have a blue convertible that matches your eyes. Those are all external yardsticks. If an experience or a purchase is truly fulfilling, the desire disappears for a long time. You are satisfied, contented, at peace.

Having an internal yardstick for fulfillment is actually one part of what we call Financial Integrity. You learn to make your financial choices independently of what advertising and industry have decided would be good for their business. You are free of the humiliation of being manipulated into spending your life energy on things that don't bring you fulfillment. Marcia M., whose story we'll be hearing in Chapter 7, reported that before doing this evaluation she used to feel powerless over the money in her wallet. "I'd walk into a store and my money would fly out of my wallet. Not literally, but that's how it felt. I couldn't stop it." It is a form of Financial Independence to be able to "just say no" to unconscious spending.

To Recap

When evaluating your subcategories place a 0 in the box if the expenditure feels fine just as it is, a + (or an up arrow) if you got so much satisfaction that you might even like to increase that expenditure or a - (or a down arrow) if the amount of money spent was not fulfilling. This question is an opportunity to look at the degree of satisfaction in your life by examining something as simple and tangible as the way you use your life energy. No shame, no blame. It's simply the facts.

QUESTION 2: IS THIS EXPENDITURE OF LIFE ENERGY IN ALIGNMENT WITH MY VALUES AND LIFE PURPOSE?

This question is illuminating. It gives you a concrete way of looking at whether or not you're practicing what you preach. As you did with the first question, ask of each spending subcategory, "Was this expenditure of life energy in alignment with my values and my life purpose?" If your answer is a strong "Yes," put a + (or an up arrow) in the second box, under that column. If it's a "No," just put the - (or a down arrow). If it's fine as it is, put a 0. Take as long as you need to think it through.

People like Amy and Jim D. had a clear set of values and a strong sense of purpose when they undertook their tightwad campaign. So did Wes L. and Kees and Helen K. Measuring their financial choices against these two factors helped them to align their finances with their dreams. On the other hand, many people living otherwise well-off lives are suffering from a poverty of ideals. Many heirs and heiresses are among the lost and confused—all dressed up financially and nowhere to go. And lots of ordinary people who've achieved the American Dream are also wondering whether there isn't more to life than . . . this.

What about you? Are your values and life purpose clear, or are they out of focus, buried under the weight of a lifestyle that doesn't seem to fit?

Values

Let's talk about values first. What *are* values, anyway? Our values are those principles and qualities that matter to us. Living our values gives us peace of mind. Not doing so disturbs our conscience and, if we aren't aware of what's going on, disables that inner gyroscope that orients us. On one level, values are the ideas and beliefs on which we base our decisions. They are like an invisible ethical DNA, made up of our sense of right and wrong, that structures our choices. So our values reflect our beliefs. But since how we act reflects our real motivations, our values are revealed by our behaviors. (Parents sometimes try to sidestep this fact with the phrase "Do as I say, not as I do!")

When we choose to provide food, shelter and clothing for our children, we are making that choice on the basis of values—being a good parent, expressing a natural feeling of love. Whether we spend our day off walking in the park or going back to the office, our choice is based on values. “But I *had* to go to the office!” you say, “That’s not a values decision, that’s pure necessity!” Yet you value the paycheck so you choose to do the job. Or you value being responsible to your family. Or you value the guy in the next cubicle (perhaps more than you should). Our behavior is a concrete representation of our values. How we spend our time and money says volumes about who we are and what we stand for.

This book deals with one of the chief social manifestations of our values—how we handle money in our lives.

You learn quite a lot about the values you are living when you look at your Monthly Tabulations. What values do the \$150 (or 25 hours of life energy, at the \$6 per hour we calculated in our example in Chapter 2) spent on eating out reveal? They could indicate any number of things: that you value convenience, that you like good food or that you want social time with friends. What about the 12 hours donated to a charity? The 30 hours for the phone bill?

You may find that you are comfortable with many of these expenditures. And some you may question. Twenty-five hours of life energy spent on eating out may seem fine—until you realize upon reflection that you devoted only eight hours this month to one of your children. For many people, the values expressed in their expenditures are not the values they really want to be living. Your totals in some of your categories may reveal that habit, peer pressure or even boredom has gotten the best of you.

Go back to the questions at the beginning of the chapter. If you didn’t have to work for a living, what would you do with your time? What have you done with your life that you are really proud of? How would you spend the next year if you knew it was the last year of your life? Your answers to these questions will tell you a lot about what you truly value.

Your Monthly Tabulations are like a mirror. As you ask the question, “Is this expenditure in alignment with my values?” month in and month out, you will find that you are looking deeply into yourself. Simply as a result of asking and answering this question you will make

changes, large and small, that bring you closer to Financial Integrity, where all aspects of your financial life are in harmony with your true values. The process of coming into integrity is like that telescope we talked about in Chapter 2. The multiple lenses of the telescope allow you, the viewer, to extend and expand your vision—but only if each lens is clear and polished, and only if all the lenses are aligned and properly oriented one to the other. If any aspect of ourselves is out of alignment with the whole of our being, we will not be able to see very far; in fact, our vision will be completely obstructed by that one lens that is out of line.

Tom C. had the makings of a very nice life. All the pieces were there to add up to success: a terrific wife, two kids, two cars, a lovely house and plenty of tangible and intangible benefits from his job as a school administrator. He had respect, a good income and security. He was successful—but he wasn’t happy. In fact, he was mad. He was angry and frustrated with the system that had led him to believe that if he had the right stuff (i.e., house, cars, job, etc.), he’d feel fulfilled. He didn’t. Looking for a way out, he attended one of our FI seminars. On that day he realized something he knew but didn’t know—that happiness doesn’t come from externals. It comes only from integrating your values with your relationship with money. Nothing was wrong with his life, but the pieces didn’t add up to something he was internally proud of. His life was good, but it wasn’t real. When he looked at his values, he realized that his overarching desire was to contribute something toward solving some of the world’s problems instead of just being one of the decent yet sleeping millions who consider minding their own business their highest good. But how could he live his values? His job, while good, did nothing to express his concern for the world. He took a risk, and a cut in pay, by leaving the school system to develop a private counseling practice and to work in a clinic in conjunction with a doctor. His new career slowly came into focus. Eventually he went into partnership with an associate, holding training sessions and seminars. Tom and his partner help people get in touch with their values and worth, and with their responsibility to themselves and the larger community. Tom has pieced together his skills, values and concerns into a life that fits for him. His insides match his outsides, and he’s finally happy.

What Is Purpose?

The second part of this question calls on you to evaluate your expenditures in light of your “life purpose.” But what does that really

mean? Purpose implies direction and time—you do something now to have something later that you value. For some people, like Amy and Jim D., doing work they enjoy and raising a loving family defines their purpose. For others the sense of purpose might be elusive, not quite in focus—their actions don't reflect their deepest desires. Some individuals, waking up to the emptiness of a purposeless life, spend years looking for some purpose to give life meaning. Others, like Wes L., seem to have it identified from the moment of birth. What *is* this thing called purpose in life?

Purpose can be as straightforward as your goal (I am doing this in order to get that). It can be revealed in the answer you give when someone asks, "Why are you doing *what* you're doing?"—your motivation. It can be the deeper meaning you ascribe to the events of your life (the real purpose of my job was to meet my wife).

"Life purpose," however, implies something beyond "reason." It isn't simply achieving a goal or acquiring some longed-for possession. It isn't the meaning you ascribe to events in your past. It is a chosen dedication of your life energy to something you believe is more important than your individual little existence. It is your commitment. It is that for which you will sacrifice your life—at very least your time, attention, creativity, effort and perhaps even your life itself. It becomes your identity as surely as your name, your body or your story to date.

You can see these different kinds of purpose—goal, meaning and dedication—in this story about three stonecutters, each chipping away at a large block. A passerby approaches the first stonecutter and asks, "Excuse me, what are you doing?" The stonecutter replies rather gruffly, "Can't you see? I'm chipping away at this big hunk of stone." Approaching the second craftsman, our curious person asks the same question. This stonecutter looks up with a mixture of pride and resignation and says, "Why, I'm earning a living to take care of my wife and children." Moving to the third worker, our questioner asks, "And what are you doing?" The third stonecutter looks up, his face shining, and says with reverence, "I'm building a cathedral!" (dedication to a higher purpose).

The meaning we give to an action comes from within us, not by the action. Like the first stonecutter, we have the choice of denying that our actions have any meaning beyond the physical reality of what we are doing. Like the second, we can absorb the meanings that our cul-

ture ascribes to our actions. Supporting a family is a culturally accepted purpose. So are getting an education, getting married and having children, creating a successful business, discovering the cure for a disease, winning honors . . . the list goes on. Unexamined, these can amount to life on automatic pilot. Examined, they can give your life radiance and clarity. Only you know. The third stonecutter's answer points to another level of meaning and purpose—living our highest ideals, dedicating ourselves to something beyond our personal gratification, that leaves a legacy for generations to come, that seems noble and worthy of our steadfast devotion.

People often have a sense of purpose about making their community or the world a better place—perhaps helping solve problems of hunger, homelessness, abusive family relationships, global warming. Sometimes a person's purpose is to embody certain qualities, such as love, peace or nonviolence. In this sense, purpose is about our extension of ourselves out into the world. There is also a sense in which "purpose" is generic. Beyond "my" purpose, many believe there is "the" purpose. Many religions and creeds teach that there is a core of goodness within each of us, an ability to know right from wrong and a desire to "do the right thing." While every culture may have a different definition of the good, the true and the beautiful, nearly all cultures honor the individuals who embody those ideals.

How Do We Find Our Purpose?

Joanna Macy, an educator, ecologist and author, has suggested three directions in which to look for your own purpose.²

1. *Work with your passion*, on projects you care deeply about. What was your dream before you stopped dreaming? What's the work you would do even if you weren't paid to do it? You're not looking for those superficial preferences depicted on bumper stickers, like "I'd rather be surfing." You're looking for something you'd gladly no-holds-barred would give your life *to*, not something you use to get away from your life.

2. *Work with your pain*, with people whose pain touches your heart. Have you "been there so you know how it feels"—in grief, sorrow, despair, hunger, terror? Can you offer others the wisdom and compassion you gained from this experience? Is there an aspect of suffering in the world that calls you to action? If you are in such pain that you've

lost touch with your ability to help others, then now is the perfect time to extend your hand to others in pain. It's healing.

3. *Work with what is at hand*, with the opportunities that arise daily for responding to the simple needs of others. Finding your purpose has often been equated with discovering the perfect job or service project that will galvanize you to be as saintly as Mother Teresa. This suggestion to work with what's at hand is a reminder that in an interconnected world all acts of service contribute to the good of the whole. If you remember that there is no single act of greatness, just a series of small acts done with great passion or great love, then in doing what you see needs to be done—taking dinner to a sick neighbor, helping a child learn to read; writing a letter to the editor of your newspaper, being an advocate for the homeless in your city—you will discover a life filled with the experience of having a purpose worth living for.

Passion, pain, what's at hand—these are doorways into finding a purpose beyond material acquisition.

Measuring Our Movement Toward Purpose

Once again, go back to the questions at the beginning of this chapter. What have you always wanted to do that you haven't done yet? What brings you the most fulfillment? Your musings in response to these questions will also provide clues to your purpose.

Take a few minutes right now to write down your purpose in life. It may have nothing to do with how you now spend your time. It may or may not seem significant to others. It may not even be very clear for you yet. Just do the best you can. Use this stated purpose to measure your actions. If over time you see your purpose changing, that's fine; simply write what life purpose now means to you and use this new statement of purpose as your measuring stick.

However you define your purpose, you'll need a way to measure your results, some feedback to tell you if you are on track. Often we measure how we are doing in fulfilling our purpose by material success, or by professional or community recognition.

There is another, more accurate, measure of whether you are living your purpose—one that goes beyond material success and beyond rewards and recognition. It is your answer to the question "Is this expenditure of life energy in alignment with my values and life purpose?" Asking this question faithfully—every month, for every category—will

nudge you toward clarifying your values, living in alignment with your stated purpose and defining further your true purpose in life.

George Bernard Shaw, so the story goes, once said to a society matron, "Madam, I'll wager you would go to bed with me for five pounds." She was instantly indignant. How could he think such a thing? He paused as if thinking and asked, "What if I offered you one hundred thousand pounds?" She hesitated—and her silence gave her away. "So," Shaw said, "we aren't arguing about the act, but merely about the price." Money is an extremely compelling measure for all of us—even those dedicated to lofty ends.

Another way to measure your movement toward your purpose is through the Purpose-in-Life Test, based on the work of Viktor Frankl. Having survived the Nazi death camps, Frankl observed that there was a factor beyond intellect or psychology that allowed some people to retain their humanity in inhumane circumstances. This factor, he concluded, was "meaning" (or purpose)—a capacity to find, through deep dialogue with one's conscience, a positive significance in the events of one's life. The will to have meaning and purpose in life, he said, is superior to the will to have power or the will to find pleasure. Indeed, these latter drives take over when the will to find meaning has been thwarted. Frankl also observed that "being human means relating and being directed to something or someone other than oneself."³ Going through the questionnaire in Figure 4-2, which is based on Frankl's profound work, will assist you in your own movement toward meaning in your life.⁴

To tally your score, add the numbers circled. If you were below 92 you probably lack meaning and purpose in life; if you were in the 92 to 112 range your sense of purpose is indecisive or hazy; and if your score was greater than 112 you have a clear purpose. How did you do? Remember that asking the question "Is this expenditure in alignment with my purpose?" will help you in defining and putting together the building blocks to your sense of purpose.

Take time to make some notes. And perhaps read Frankl's moving book, *Man's Search for Meaning*.

Returning to Integrity

Back to the second question in Step 4: "Is this expenditure of life energy in alignment with my values and life purpose?" Now that

FIGURE 4-2
Purpose-in-Life Test

For each of the following statements, circle the number that would be most nearly true for you. Note that the numbers always extend from one extreme feeling to its opposite kind of feeling. "Neutral" implies no judgment either way; try to use this rating as little as possible.

- | | |
|---|---|
| 1. I am usually: | 1. 1 2 3 4 5 6 7
completely bored (neutral) exuberant, enthusiastic |
| 2. Life to me seems: | 2. 7 6 5 4 3 2 1
always exciting (neutral) completely routine |
| 3. In life I have: | 3. 1 2 3 4 5 6 7
no goals or aims at all (neutral) very clear goals and aims |
| 4. My personal existence is: | 4. 1 2 3 4 5 6 7
utterly meaningless, without purpose (neutral) very purposeful and meaningful |
| 5. Every day is: | 5. 7 6 5 4 3 2 1
constantly new (neutral) exactly the same |
| 6. If I could choose, I would: | 6. 1 2 3 4 5 6 7
prefer never to have been born (neutral) like nine more lives just like this one |
| 7. After retiring, I would: | 7. 7 6 5 4 3 2 1
do some of the exciting things I have always wanted to do (neutral) loaf completely the rest of my life |
| 8. In achieving life goals I have: | 8. 1 2 3 4 5 6 7
made no progress whatever (neutral) progressed to complete fulfillment |
| 9. My life is: | 9. 1 2 3 4 5 6 7
empty, filled only with despair (neutral) running over with exciting good things |
| 10. If I should die today, I would feel that my life has been: | 10. 7 6 5 4 3 2 1
very worthwhile (neutral) completely worthless |
| 11. In thinking of my life, I: | 11. 1 2 3 4 5 6 7
often wonder why I exist (neutral) always see a reason for my being here |
| 12. As I view the world in relation to my life, the world: | 12. 1 2 3 4 5 6 7
completely confuses me (neutral) fits meaningfully with my life |
| 13. I am a: | 13. 1 2 3 4 5 6 7
very irresponsible person (neutral) very responsible person |
| 14. Concerning man's freedom to make his own choices, I believe man is: | 14. 7 6 5 4 3 2 1
absolutely free to make all life choices (neutral) completely bound by limitations of heredity and environment |

- | | |
|---|---|
| 15. With regard to death, I am: | 15. 7 6 5 4 3 2 1
prepared and unafraid (neutral) unprepared and frightened |
| 16. With regard to suicide, I have: | 16. 1 2 3 4 5 6 7
thought of it seriously as a way out (neutral) never given it a second thought |
| 17. I regard my ability to find meaning, purpose or mission in life as: | 17. 7 6 5 4 3 2 1
very great (neutral) practically none |
| 18. My life is: | 18. 7 6 5 4 3 2 1
in my hands and I am in control of it (neutral) out of my hands and controlled by external factors |
| 19. Facing my daily tasks is: | 19. 7 6 5 4 3 2 1
a source of pleasure and satisfaction (neutral) a painful and boring experience |
| 20. I have discovered: | 20. 1 2 3 4 5 6 7
no mission or purpose in life (neutral) clear-cut goals and a satisfying life purpose |

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you've taken a deeper look at values and purpose, ask this question again. Ask without criticism or self-condemnation, but honestly and dispassionately. Look at the way you previously rated your expenditures. Do you still agree? Change your answers if your evaluation of a particular category is now different.

You now have a black-and-white map of your spending patterns and their relationship to your defined values and purpose. You may see gaps between your statement of purpose and your expression of it—gaps that you were unaware of before. To return to integrity (alignment of your actions with your values), you can either adjust your spending or adjust your purpose. Indeed, this question is your primary tool for achieving FI in the sense of Financial Integrity. Charles Givens makes this same point in his book *Financial Self-Defense*:

When your actions are out of alignment with your values, you can experience fear, guilt, frustration and emotional imbalance. Fortunately, you can get rid of those negative, unwanted feelings. You can either:

1. Change your actions to align with your values, or
2. Change your values to align with your actions.⁵

QUESTION 3: HOW MIGHT THIS EXPENDITURE CHANGE IF I DIDN'T HAVE TO WORK FOR A LIVING?

Use this question to evaluate how much your job costs you and to begin to focus more clearly on your life apart from work. Ask yourself, "Which expenses would decrease and which expenses would disappear if I didn't go to work every day?" In the third row under your expense categories mark a - (or down arrow) if you think this expense would decrease, a + (or up arrow) if it would increase or a 0 if it would probably remain unchanged. If you can come up with an estimated dollar figure, write it in a separate line on the Monthly Tabulation.

This question opens the possibility of a lifestyle in which you don't have to report to a job week in, week out. What would your life be like if you didn't work for money forty or more hours a week? What expenses might disappear? If you didn't have to work for money, would you buy more clothes? Fewer clothes? Burn more gas? Less gas? Sell your car entirely? Move to a cheaper house farther from a center of commerce? Would you have higher or lower medical bills (insurance costs might go up, but illnesses down)? Would you still take weekend breaks in hotels? Would your travel expenses go up or down? Would your gazingus-pin purchases increase or decrease? What do you now spend to simply compensate for doing a job that claims the majority of your waking hours?

As you ask yourself this question over time, you may find yourself coming to a startling conclusion. If you weren't trying to fit your round peg into a square hole all the time, life could be a whole lot cheaper! Because your days are consumed by your job, you need money to handle every other aspect of your life—from day care to home repair, from entertainment to being listened to with compassion.

Here's a riddle: Who is more financially independent—someone

who can fix a leaky faucet, or someone who must pay another person to fix it?

In many ways we have actually become more financially dependent. How many times have you been stymied by a modern convenience that won't work? When you try to get it repaired locally, you're told to send it back to the factory. Postage alone is more than it would cost to replace it. You'd fix it yourself, but how? Isn't needing money to make it through life actually a form of dependence? If that is so, then asking the question "What would this expenditure look like if I had the time and skills to maintain my possessions myself?" will lead you toward less dependence on money to fill your needs.

ASSESSING THE THREE QUESTIONS

Now take a look at your tabulation sheet. Find all of your - marks (or down arrows). Note which subcategories didn't meet your criterion for Question 1—you did not receive fulfillment in proportion to the amount of life energy spent. Which ones didn't measure up on Question 2—this expenditure was not in alignment with your values and life purpose? And which ones are expenses that would change significantly if you didn't have to "make a dying"? Now look at your list. Do you see any patterns? What have you learned about yourself? Don't punish yourself and don't resolve to "do better next month." (Remember, this is not a budget!) Simply use this information and any insights you've gained to assist in clarifying your values and purpose. Remember: No shame, no blame.

Let's go back to the monthly tabulations we looked at in Chapter 3 and see how Rosemary and Lou and Steve did these evaluations.

Rosemary's is fairly straightforward. While she didn't choose to estimate how much she would be spending in each category if she stopped working for a living, the categories she thinks would go down provide some food for thought. Lou and Steve's chart is particularly interesting because they came up with some novel adaptations and interpretations. The first thing you'll notice is that Lou and Steve added a fourth

question: "Is this level of expenditure helpful to the planet?" What would change in your own spending patterns if you were to ask yourself this question?

The other twist you'll notice is that their figure for charitable contributions post-FI (when they are financially self-sufficient and no longer working for pay) is the same as their post-FI income. Lou and Steve recognize that once they are free of paid employment they will be able to volunteer full-time to causes they care about. Instead of giving token donations each month, they will be able to give themselves. Their lives will be their charitable contribution.

Now take a look at how Kees and Helen K. estimated what their expenses would be once their kids had graduated from high school, leaving them free to do community service projects together. In Figure 4-5 they compare their Year 1 average monthly expenses in each category with their projected expenses in Year 5. They arrived at these figures after several years of tracking expenses and asking the three questions. The Year 5 estimates are *not* a budget. They are experientially derived from months of tracking and evaluating the real cost of a fulfilling life.

You don't have to know precisely what you would do if you didn't have a job. You don't even have to want to do anything other than your job. You just need to ask the question of each expense category: How would expenditures in this category change if I didn't have to work for a living? Remember: No shame, no blame. You aren't violating your commitment to your profession by asking that question. Nor are you expressing disloyalty to your boss or dissatisfaction with your job by considering how you might spend your money if you were doing something else. If you love your job, the simple monthly exercise of asking this question will only increase your job satisfaction because you will increase your certainty that you are there by choice.

IMPLICATIONS OF THIS STEP

Step 4 is the heart of this program. Don't worry if your life purpose or your internal yardstick is not crystal-clear. For some individuals this program has been the process by which they defined their values and purpose. The very process of asking and answering the three questions month in and month out will clarify and deepen your understanding

Month: JanuaryActual Hourly Wage: \$10.46

Expenses	Total Dollars	Hours of Life Energy	Fulfillment	Alignment	After FI
Rent	310.00	30	0	0	0
Natural gas					
Electricity	21.70	2	0	0	0
Combined utilities					
Phone	5.77	.6	0	0	0
Household	29.39	2.8	0	0	0
Groceries	85.25	8	0	0	0
Treats	3.44	.3	0	0	0
Eating out	6.03	.6	0	0	0
Alcohol	6.57	.6	0	0	0
Gasoline/oil	37.88	3.6	-	-	-
Car repair/maintenance					
Car insurance/registration	248.47	24	0	-	0
Parking	.40		0	0	0
Bus/ferry					
Health insurance	55.89	5	0	0	0
Health products					
Health services	7.75	.7	0	0	0
Hygiene					
Beauty	13.18	1.3	0	0	0
Clothing, necessary	10.74	1	0	0	0
Clothing, unnecessary	25.45	2.4	-	-	-
Entertainment					
Aesthetics					
Gifts/cards	18.60	1.8	0	0	0
Books/magazines	25.11	2.4	-	-	-
Personal growth					
Postage	3.15	.3	0	0	0
Office supplies					
Photocopy					
Donations					
Bank charges					
Miscellaneous	.62		0	0	0
Loan payments	78.00	7	-	-	-
TOTAL	993.39				

FIGURE 4-3
Rosemary's Monthly Tabulation of Expenses—
with the Three Questions

STEVE AND LOU—RECEIPTS AND DISBURSEMENTS

For the month of August

RECEIPTS

- Steve's business income
- Steve's net paycheck
- lou's business draw
- Disability income
- Gifts received
- Tax refunds
- Interest income (MSFCU)
- Dividends (Calvert)
- Money found
- Miscellaneous receipts

Total receipts for the month

DISBURSEMENTS

- Steve's business expenses
 - Dues and subscriptions
 - laundry
 - Ads and promotion
 - Education
 - Telephone
- Total business expenses

- Autos—Steve
- Auto excise tax—Steve
- Bank service charges
- Charitable contributions
- Contribs.—nondeductible
- Clothing
- Medical/health/counseling
- Dues and publications
- Film and processing
- Garden supplies
- Gifts to be given
- Groceries/food at home
- Household—miscellaneous
- House repairs
- House building materials
- House building labor
- House mortgage payment

	Steve	Lou	Total	FI Question 3	
				Total	/FI
Steve's business income	1102.27		1102.27		1505
Steve's net paycheck		3341.25	3341.25		
lou's business draw					
Disability income	241.50		241.50		
Gifts received					
Tax refunds		84	84		
Interest income (MSFCU)					
Dividends (Calvert)					
Money found					
Miscellaneous receipts					
Total receipts for the month	1343.77	3342.09	4685.86		2438
Steve's business expenses					
Dues and subscriptions	25.12		25.12	--	0
laundry	27.37		27.37	--	0
Ads and promotion					
Education					
Telephone	(52.49)		(52.49)	0	(5.2)
Total business expenses		427.21	427.21	0	427
Autos—Steve					
Auto excise tax—Steve		4.27	4.27	0	3
Bank service charges	16.00	3.25	19.25	+	38
Charitable contributions		56.35	56.35	--	0
Contribs.—nondeductible					
Clothing		225.40	225.40	--	210
Medical/health/counseling	48.25	66.65	114.90	0	115
Dues and publications					
Film and processing					
Garden supplies	54.75	273.70	328.45	--	80
Gifts to be given	90.10	102.90	193.00	0	193
Groceries/food at home	69.17	128.78	197.95	0	198
Household—miscellaneous				+	165
House repairs		425.97	425.97	--	41.7
House building materials					
House building labor					
House mortgage payment		1316.93	1316.93	--	0

FI Question 1: Are you receiving value commensurate with the life energy units this expenditure costs?

FI Question 2: Is this level of expenditure in keeping with your life purpose?

FI Question 4: Is this level of expenditure helpful to the planet?

Steve and Lou dollars per hr: \$6.35

FI Life Units (hours)	FI Questions					
	-Steve		Lou			
	1	2	4	1	2	4
2.5	-	0	-	0	0	0
2.7	-	0	-	0	0	0
(5.2)						
41.8	0	0	0	0	0	0
0.4	+	0	0	+	0	0
1.9	-	0	+	-	-	+
5.5	-	-	-	-	-	-
22.0	-	-	-	-	-	-
11.2	0	0	0	-	-	0
32.1	-	-	-	0	-	-
18.9	0	0	0	0	0	0
19.4	0	0	0	0	0	0
41.7	0	0	-	0	0	0
128.8	0	0	0	0	0	0

Steve and Lou's Monthly Tabulation—with the Three Questions

FIGURE 4-4

Insurance:																			
Homeowners'		1.61	1.61	+	36	0.2	0	0	0	0	0	0	0	0	0	0	0	0	0
Health		275.73	275.73	--	0	27.0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total insurance		(277.34)	(277.34)	--	(36)	(27.2)													
Junk food and lunches		48.43	48.43	--	0	4.7	-	-	0	0	0	0	0	0	0	0	0	0	0
Meals out		271.75	271.75	--	100	26.6	-	-	0	0	0	0	0	0	0	0	0	0	0
Music and home entertainment	68.43	150.35	218.78	--	24	21.4	+	+	+	0	0	0	0	0	0	0	0	0	0
Movies, concerts, etc.		25.75	25.75	0	26	2.5	0	0	0	0	0	0	0	0	0	0	0	0	0
Misc. itemized deductions																			
Misc. expenses		(1.64)	(1.64)			(0.2)													
Pet expenses:																			
Birdseed																			
Bonneau																			
Darby	61.89		61.89	0	62	6.1	0	0	0	0	0	0	0	0	0	0	0	0	0
Annie	18.11		18.11	0	18	1.8	0	0	0	0	0	0	0	0	0	0	0	0	0
Other																			
Total pet expenses		(80.00)	(80.00)	0	(80)	(7.9)													
Postage																			
Student loan payment—Steve	130.88		130.88	-	0	12.8	0	0	0	0	0	0	0	0	0	0	0	0	0
Travel, tolls and parking		3.00	3.00	0	3	0.3	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities:																			
Electric		17.36	17.36	0	17	1.7	0	0	0	0	0	0	0	0	0	0	0	0	0
Gas—propane	36.06		36.06	0	36	3.5	0	0	0	0	0	0	0	0	0	0	0	0	0
Firewood																			
Heating oil																			
Telephone—total		140.54	140.54	--	65	13.7	-	-	0	0	-	0	-	0	-	0	-	0	-
Trash collection		34.00	34.00	--	11	3.3	0	0	0	0	0	0	0	0	0	0	0	0	0
Total utilities		(36.06)	(191.90)	(227.96)	--	(129)	(22.2)												
Voided checks																			
Unidentified cash																			
TOTAL DISBURSEMENTS	646.13	3998.29	4644.42		1827	454.3													

Note: Circled numbers are totals of subcategories; numbers in parentheses represent income; FI Question 3 = How might this expenditure be different after FI?; Total/FI = projected income and expenses after FI.

	Actual Year 1	Projection Year 5
Food	826	485
Restaurant	52	15
Cat	8	8
Electricity	53	50
Gas	57	65
Other utilities (sewer, water, etc.)	53	50
Kitchen/toiletries	52	30
Home maintenance	144	160
Garden/flowers	29	15
Clothes	96	80
Car: gas/repair	270 (125 + 145)	245
Phone	76	80
Office/printing/postage	68	30
Sports	83	65
Entertainment	53	30
Travel	83	160
Education/books	190	80
Gifts	303	80
Donations	212	50
Allowance	243	0
Medical/dental	110	40
Dental insurance		80
Misc. (photo)	(16)	160
Mortgage	565.49	570
Car insurance	233.55	245
House insurance	46.17	65
Jewel insurance	10	0
Life insurance	198.01	0
Health insurance	178.62	290
Property tax	317.28	485
TOTAL EXPENSES	4,627/mo ($\times 12 = 55,524/\text{yr}$)	3,713/mo

Income tax not included.

FIGURE 4-5

Kees and Helen's Tabulation of Average Monthly Expenses

of fulfillment and purpose. Just ask the questions and mark your responses at the bottom of each expense column, using your intuition as much as your intellect.

The nine steps of this program are easy. You don't have to understand them, you just have to do them. In fact, the people who get into the most trouble making this program work are those who believe they can skip steps that they think don't apply to them. If we could make this program any shorter, with fewer steps, we would. The fact is, this is the shortcut. We are practical people. We haven't included any window-dressing or arcane wisdom in here just for the fun of it. The steps of this program work synergistically, building upon and enhancing one another. So just relax and do the steps. Over time, amazing changes will occur—not only in your relationship with money but in your relationship with life itself. Here are a few reminders about working with Step 4 to maximize your benefits.

Information and Awareness, Not Shame or Blame

This is simply an information-gathering process. It is the first step toward reprogramming yourself. Any unconscious, addictive patterns of spending will be exposed and identified when you bring them into the light of honest evaluation and clear, numeric expression. The point is not to drive yourself to change through guilt or self-criticism. The point is to adjust your spending until you have 0s or +s in all your columns.

Valuing Yourself

A shift will take place in the realm of values as your handling of money increasingly comes into alignment with what really matters to you. In the past we managed to convince ourselves that buying things for ourselves was an expression of self-esteem. "I deserve the best," we learned to think. "No more second-class citizenship for me. If I want it, I can have it—and if I don't have the money I'll just put it on my credit card." Then along comes this process of rethinking your relationship with money and with the world, and everything turns upside down. "Spending money on myself in ways that might bring superficial happiness but don't contribute to lasting fulfillment," you think, "is actually *not* valuing myself. It's frittering away *my* precious, one-way life energy. Who did I think was going to pay off the credit card, anyway?"

True Financial Intelligence is understanding that if *you* buy now, *you* will pay later—with interest. Financial Intelligence is knowing that if *you* spend *your* life energy on stuff that brings only passing fulfillment and doesn't support your values, *you* end up with *less* life.

This step is not about budgeting, not about self-condemnation and not about depriving yourself. It is about honoring and valuing that limited resource called your life energy. It's about using this high self-respect to bring about greater fulfillment, greater satisfaction and a greater sense of wholeness, alignment and integrity. You do this by becoming conscious of your unexamined and unrewarding spending patterns—painlessly.

Integrity and Synergy

This step helps you align values and behavior by adjusting one or the other. Financial Independence is built on Financial Integrity, and Financial Integrity is built on alignment of vision and values with action. As shocking as it may be to see your unconscious spending patterns materialize as neatly totaled columns of dollars and cents, this exacting honesty is essential. People pay thousands of dollars for therapy, workshops and seminars in order to confront their self-defeating patterns of thinking and acting. This step allows you to accomplish that same goal, at no cost and in the privacy of your own home. When you can go through this entire process of tabulation and evaluation with a totally peaceful mind and heart, you will have earned your black belt in Financial Integrity.

Integrity is naturally fulfilling. Alignment of vision, values and action—whether we are talking about one person, a team of people, or a whole society—fosters a process known as synergy. Synergy is that state of functioning in which the whole is greater than the sum of its parts. With synergy, more energy comes out of a system than has seemingly been fed in. Synergy is potent.

Because we so often work at cross-purposes, within ourselves and within our organizations, synergy feels like magic, grace, a miracle. It's not. Synergy occurs within an individual when all aspects of his or her nature are aligned and focused in the same direction. If you're a tiger at work but a mouse at home, something within you is not aligned. Your energy will be tied up in a juggling act in which you keep dropping the balls. But if happiness, clarity and peace characterize all as-

pects of your life, and what you do is in alignment with your purpose, then you are a potent and fulfilled individual. And that's made possible by taking a few minutes each month to ask these three questions of each of your spending subcategories. You will discover what is enough at the material level, and you will have an abundance of the joy that comes from living a life that matters.

Getting to Enough

In Chapter 1 we talked about the Fulfillment Curve and that interesting place at the peak of the Fulfillment Curve called "enough." You have enough for your survival, enough for your comforts and even some special luxuries, with no excess to burden you unnecessarily. Enough is a powerful and free place. A confident and flexible place. And it's a place that you will define for yourself numerically as you follow this program. Asking the three questions, month in and month out, is the primary tool for defining, experientially, how much is enough *for you*.

Our own experience and that of seminar participants is that "enough" has four components; four common qualities:

1. **Accountability**, knowing how much money is flowing into and out of your life, is basic Financial Intelligence. Clearly, if you never know how much you have or where it's all going, you can never have enough.

No matter how much money she made, every month Marilyn B., a cook and caterer, was anxious that her money would run out before her next paycheck. While she always had enough, she never had enough in her experience, because she didn't know where she stood. It wasn't until she started meticulously keeping track of her money that the fears went away.

Rich and poor alike benefit from accountability. Some people on government entitlement programs, from welfare to disability to Social Security, have enough, and others don't. *The Wall Street Journal* told the story of a mother on a \$750-a-month welfare income who managed to save \$4,500 over four years through care, thrift and prudence. The explanation was simple. She was saving for her daughter's college education, so she made every penny count.⁶

At the same time, an advocate for a homeless family in Los Angeles told the story of wangling \$1,200 out of the system so parents and kids

alike could get decent clothes and nourishing food. Instead, the father went out and bought a \$1,200 stereo system. He figured everyone had been through such a bad time they deserved something nice. Many people go bankrupt and end up on the street in part because they haven't learned basic principles of money management—especially accountability.

2. **An internal yardstick for fulfillment.** As we pointed out earlier, you can never have enough if you are measuring by what others have or think.

3. **A purpose in life** higher than satisfying your own wants and desires, because you can never have enough if every desire becomes a need that must be filled. Desire begets desire. That's what the astute potato-chip company told us when it said, "Bet you can't eat just one." If you base your sense of having enough on your wants and desires it will be, at best, an ephemeral experience.

What is a purpose higher than getting what we want? The opposite of getting is giving—and therein lies a secret to fulfillment. Beyond the point of enough, we achieve happiness by exercising our capacity to give. If you have a purpose for your life that is higher than getting more and getting ahead, your energies will be focused on fulfilling that purpose—whether it is loving your family, serving on the school board, creating art, pruning your ego so your light can shine through or working for peace. When you are no longer defining your worth in dollars and cents you can get off the futile and endless money-ground where your life was about trying to get ahead of the person in front of you.

4. **Responsibility**, a sense of how your life fits with your community and with the needs of the world. If we don't give a hoot about anyone but ourselves, we can never have enough until we have it all. Within the word "responsibility" is the key to why it's an essential part of having enough. Break it down and you see it contains "response" and "able." If you are going through life robotically, following patterns laid down by genetics, parents or society, you can *react* but not *respond*. To respond you must be conscious that you have a choice, that you can select your response. If you are responsible, you can choose when to stop. If you are not "response-able," you stop only when an external barrier is put up—be it the size of your stomach, the size of your credit limit or the limit of the law. With "response-ability" we can choose our

limits and maintain a sense of balance, both within ourselves and with our neighbors. Initially, responsibility is about identifying when you have enough and stopping there—for your own well-being. Ultimately, responsibility is about everyone in the world having enough, and finding ways for all of us to get there—for the well-being of the earth. We become response-able to life itself.

Let's try to imagine for a moment a world in which everyone had enough—enough for his or her survival, enough for comforts and even enough extra for those special times that represent real pleasure.

We began this chapter talking about our personal dreams and about aligning our earning and spending with our values and our sense of purpose. The dream of "everyone having enough" has been with us as a species for thousands of years, yet has never been fulfilled.

Following the steps of this program, doing your tracking and Monthly Tabulation and asking yourself the three questions will become so simple, so much second nature, that you might wonder what would happen if everyone who's living on "more than enough" did it. The dream of a sustainable world might begin to seem quite possible if what wasn't needed, the clutter of life, faded away. Does this sound like an impossible dream? Perhaps . . . but if you agree with Viktor Frankl that we each possess a will to have meaning, then possibilities abound.

And the Tao Te Ching, the ancient Chinese book of wisdom, puts it this way: "He who knows he has enough is rich."

SUMMARY OF STEP 4

1. **Of each spending subcategory in your Monthly Tabulation ask Question 1: "Did I receive fulfillment, satisfaction and value in proportion to life energy spent?" Mark your answer with a + (or an up arrow), a - (or a down arrow), or a 0.**
2. **Of each spending subcategory in your Monthly Tabulation ask Question 2: "Is this expenditure of life energy in alignment with my values and life purpose?" Mark your answer with a + (or an up arrow), a - (or a down arrow), or a 0.**