

Strategies & Principles to Live By

Treat this like a trunk of old clothes. Take out a few and try them on. Put back the ones that don't work for you. And come back to it from time to time so you can see what suits you now that didn't the last time.

These are good habits to develop

- Keep an eye on your money (envelopes, jars, cheque register, subtraction record).
- Save in a savings account, not a chequing account.
- Control your expectations.
- Watch for the money leaks (small daily purchases, late fees, paying interest).

Important facts about money

- It is a basic principle of finance that the higher the interest rate, the more you pay in total interest over the life of the loan.
- It is also true that the higher your monthly payments, the shorter your loan. This reduces the total amount of interest you will pay.
- Conversely, the lower the monthly payments, the longer it takes to

pay off the loan. This increases the amount paid out in interest.

This is where many people get into financial difficulty—they go for the low payment now, rather than less interest in the long run.

- Credit cards have a period of a few weeks' grace before interest is charged. You can avoid paying interest simply by paying the bill in full before the due date.
- Debt consolidation propels a person into a never-ending cycle of debt unless it is used very skillfully.
- As for account overdraft and payday loans, they are best avoided completely.
- When it comes to money, it isn't just the math that counts, it's the psychology.
- Living consciously is where true power resides in your relationship with money.

Tricky things about credit cards

- The no-interest period of a credit card applies to purchases but not to cash advances or the cheques that credit card companies periodically send you in the mail.
- You don't pay interest on a credit card if you pay the balance in full by the due date. But it must be the full amount. Anything less and you will be charged interest back to the day when purchases were made.
- If you are working on clearing an unpaid balance off a card, the first thing to do is stop using the card.
- A credit card is a great convenience if you pay the balance off each month, but a huge burden when used as a source of borrowed money.

Exercise autonomy in making decisions

- Detach yourself from the cultural story.
- Think about how *you* would like to live.
- Re-engage with the consumer culture on your own terms.

Tips for navigating the consumer culture

- Understanding the cultural meta-narrative is crucial for successfully navigating through it.
- If we are unaware of it, we simply react in knee-jerk fashion to the stories that corporations would like us to believe about what makes life worth living.
- When we are aware of the narrative, we can decide for ourselves if that's how we want to live the story of our own lives.
- This requires willingness to question, to have an open mind, to look for other ways, and to develop a sense of what is important to us.
- If you learn how to identify enough, it will be much easier to navigate the consumer culture because more things will be non-issues.
- The challenge of uncertainty is that, since you don't know what will present itself, you can't rehearse your response.

Make decisions that will lead to a sustainable life

Common sense must be nurtured

- Allow time to think with your reflective mind.
- Uncover your common sense and trust what you know.
- Appreciate it when it shows up.
- Watch for it by being aware of incongruity.
- Listen to it and see what fits with you.
- Learn from experience.

Conflicting expert opinion is a fact of life

- Maintain healthy skepticism.
- Apply the precautionary principle.
- Take the simplest approach.
- Use natural alternatives.

Look after yourself in the marketplace

- Pay attention to your mindset.
- Adopt an attitude of healthy skepticism.
- Hold your boundaries.
- Learn how the systems work.
- Cultivate an assertive approach.

Steps to release unconscious motivators

- Increase your awareness about what isn't working.
- Ask yourself if the belief or feeling is serving you well.
- Let go of the outdated belief.
- Install a new belief.

Make a life that is deeply satisfying

- Write your own story.
- Use all your resources.
- Practice intentional simplicity.
- Consider "what if..."
- Know how much is enough.

Anticipate uncertain times

- Live lightly by avoiding a debt load.
- Retire existing debts rapidly.
- Build a stable and sustainable financial structure.
- Cultivate your innate common sense.
- Pay yourself first.

Establish a powerful relationship with money

- Uncover your unconscious motivators.
- Define value and worth for yourself.
- Experience the freedom of conscious choice.

Create financial security

- Do not incur destructive debt.
- Create an emergency fund.
- Consider your lifestyle.
- Be cautious and reasonable about constructive debt.

Reduce the mortgage interest you pay

- Shorten the amortization period.
- Prepay the principal.
- Pay weekly or biweekly.
- Increase your monthly payment.
- Shop for the best interest rate.
- Make the largest down payment possible.

Avoid credit card debt

- Anything you buy with your credit card will cost you a whole lot more than what's on the price tag—unless you pay off the entire balance before the grace period ends.
- Most of the minimum payment on a credit card goes to pay off the interest each month. That's why it takes a very long time to retire a loan if you only pay the minimum.
- Powerpay (snowball) your outstanding balance to short-circuit this if you have an ongoing credit card balance.

Protect your dependents with life insurance

- You need the most life insurance when your last child is born.
- Term insurance gives you the financial protection you need at a reasonable cost. Make sure it is renewable term.
- It makes no sense to use your insurance as an investment vehicle by purchasing a cash value policy. Invest the money yourself and you'll be farther ahead.

Mastering the art of living skillfully

- ✓ Think for yourself. Remember the principle of critical mass.
- ✓ Don't settle for ready-made answers. They are the anesthetic of the mind.
- ✓ Challenge the conventional wisdom; be skeptical of "experts."
- ✓ Look beyond the obvious. Think about possibilities. Ask questions that open doors in your imagination and allow creativity to occur. Two key questions:
 - What are the possible ways I could _____ ?
 - What if _____ ?
- ✓ Steer away from fads. Instead, look for what endures. Fads are the creation of a market economy intent on getting you to keep parting with your money. Long-lasting items provide deeper satisfaction.
- ✓ Do not fall prey to insecurity and fear. Insecurity prevents us from thinking for ourselves. Fear causes us to be oblivious, paranoid, or somewhere in between. When you are not being controlled by insecurity and fear, you are better able to make conscious choices.
- ✓ Be prepared to see the truth, especially about yourself. Beware of self-deception and superficiality.
- ✓ Be mindful of who you really are and what makes life meaningful for you.