

## Introduction

- *Why Financial Planning Books Aren't Working*
- *How Saving Money Is Like Losing Weight*
- *Getting Your Mind over Your Money*

### **Why Financial Planning Books Aren't Working**

We have a big, big problem in the United States. People are not saving enough money, and as a result, they live life fearing how they'll afford retirement and unforeseen financial crises. While it is true that since the financial crisis of 2008, many families have reduced their debt, the overwhelming majority of couples still has depleted savings and has done little or nothing to save for retirement. I've seen statistics and read articles that suggested as much as 40 percent of working Americans are not saving for retirement and 25 percent of American families have no savings at all. How could it possibly be that so many couples and households find themselves in this financial situation when hundreds of books have been written on the topics of financial planning and investing? Part of the problem lies in the fact that the traditional pathways to wealth are shrinking. For instance:

- Consistently double-digit annualized returns in the stock market are no longer a sure thing.

- Steady home appreciation is no longer certain and home prices are more volatile now than in the past.
- Stable job markets and reliable career advancement are rarer, and good jobs for new college graduates are harder to find than ever before.
- Consistent base salary increases are becoming more intermittent in spite of an improving job market.

As a result, people don't have money to invest in the first place anymore—and even the best books about investing are worthless unless you have the money to invest. Perhaps the only sure way to *guarantee* a prosperous future and comfortable retirement in today's volatile markets is to *save* more money than ever before. More specifically, people need to stop spending most or all of the money they make.

## **How Saving Money Is Like Losing Weight**

Telling people to stop spending all of the money they make and save it instead is like telling them to eat less junk food and more fruits and vegetables to lose weight. The concept might be easy to get, but translating the concept into action is a whole different story. It's much easier said than done. And for most couples, saving money is like losing weight—they might “know” what to do but falter miserably in the execution. That's because knowing how to do something does not guarantee action. People might “know” that to lose weight you exercise more and consume fewer calories. You stop eating junk food and replace it with fruits and vegetables. There are hundreds of books detailing many different effective strategies for losing

weight. So why do so many people struggle to lose weight? Why don't people take action? Similarly, people might “know” how to save money—making automatic transfers to savings accounts, cutting up credit cards, preparing and sticking to a budget, etc.—and there are dozens of books detailing many different effective strategies for saving money. Yet people don't do it. So why do so many people struggle to save money? Why don't people take action? It's because knowing how to do something does not guarantee taking action. Many people struggle to lose weight because there are thoughts, desires, and motivations at play in the background that are overriding the commitment to lose weight. Similarly, many people struggle to save money because there are thoughts, desires, and motivations at play in the background that are overriding the commitment to stop spending and save more. Knowing about effective strategies to save money (which can be easily learned through books and websites) does not always translate into action.

No matter what people “know,” their actions are always consistent with their underlying thoughts, desires, and motivations. For example, just because someone knows that losing weight will require eliminating processed sugar from their diet does not guarantee they won't enjoy the Christmas goodies brought in by their work colleagues. If there is an underlying thought that says, “It won't hurt your diet just to have a little. Go ahead; you deserve it and these goodies are only available once a year,” then the goody will most likely be eaten. A person's underlying thinking or motivations usually trump knowledge. That is why understanding and uncovering underlying thought patterns is critical to changing actions and ultimately results. Books that focus on “actions” and telling people what to do

often fall short because they don't address the thinking in the background that is ultimately driving behaviors. For people struggling to save money, the first and most challenging thing to address is the underlying thoughts that are preventing saving and encouraging spending. The knowledge of how to save is much easier to put into action when your thinking is consistent with saving money.

## **Getting Your Mind over Your Money**

For couples to save more money, they first need to understand what the often invisible and undetectable thought patterns are that are contributing to their inability to meet their savings goals. A dramatic shift in how couples *think* about saving money is required to drive new saving behaviors.

Part I of this book will explore six Spending Mindsets to help couples become more aware of the kind of thinking that encourages an undisciplined and habitual approach to spending. These consistent and persistent thoughts become entrenched and accepted as “truths” over time rather than as mindsets or beliefs that can be changed. You can't change a mindset until you see it as one possible way to think rather than the *only* way to think. These paradigms or beliefs about money and spending are not necessarily bad ways to think, but there are other paradigms exemplified in “The Wealth Mindset” (Part 2) that are more consistent with saving money.

Part 2 of this book will explore five Wealth Mindsets that enable couples to migrate from living in a Spending Mindset to living in a Wealth Mindset. Thinking about saving money in new ways is the precursor to acting in new ways; for many

couples, only changes in behavior can bring new results and increased prosperity.

Part 3 of this book explores the Spend One, Save One Couple's Strategy for Wealth, which provides couples with a specific, step-by-step, proven roadmap to put a Wealth Mindset into practice and force the adoption of new behaviors. Ultimately, the couples that can master and control their mindsets will gain control of their financial future.