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How To Go Broke

What I am going to talk about in this newsletter are some things that in many cases, I have talked about in the past, but simply presented a different way. I am going to present this material as if the person who is reading it WANTS to be broke. Are you interested in being broke? Read on, you may realize that you are.

Nine Steps to Go Broke.

No Vision

Where there is no vision, the people perish! This is the first and most important step in a person's quest for complete and utter broke-ness. There are a lot of people who want to be rich, but interestingly enough, very few have defined what rich is! Does rich mean \$100,000 per year? Does it mean \$500,000 per year? Most people have no idea. You see, it is LITERALLY IMPOSSIBLE to reach a goal that you don't have. So, if you want to insure that you never reach financial independence, then just don't define exactly what it is! If you do this, there is a great chance that you will be on the path of going broke.

Lack of Planning

You may or may not have heard this phrase before, but I will state it here. Most people do not plan to fail, they just simply fail to plan! If you have made the mistake of having a clear vision, you can always kill it by not having a plan. Here is an example. Let's say that you have decided that you want to go to Los Angeles California, but you really don't want to get there. Don't get a map. Don't figure out how much time it will take you or what you will need to get there. Just get in your car, back out of the driveway and MAKE A LEFT! Though it is not guaranteed, there is a great chance that you won't get there.

So if you want to retire on \$200,000 a year, the last thing you want to do is figure out how much money you need to save to accumulate enough to withdraw \$200,000 per year like I suggested in the Don't Do a Budget Newsletter. And then even worse, for you to actually calculate how much money you have to save to reach that goal, and implementing a plan to do so would be futile!

Out of Control Spending

If the truth be told, most people are not just compulsive spenders. Most people don't just go out and blow money mindlessly. But the encouraging thing in this case is that most

people are out of control spenders. The way you spend money is either controlled or not controlled. So if you don't have a spending plan or a wealth plan, and you are not controlling your spending, then you are spending money out of control.

This is a good thing if you want to be broke. The last thing you need to do is draw up a spending plan and start saving money to invest toward wealth. But now, if you do decide to draw up a spending plan (maybe you have a nagging spouse that keeps bothering you to do so), the best thing to do is to CALL IT A BUDGET! This will make sure that you always stay focused on lack.

Budget is a negative word and negativity is key in the quest for financial dependence. If you do a budget, it would also be good if it is NOT written in advance. Just keep it out there in space somewhere. Don't worry, you can remember everything.

You also want to avoid paying for things in cash. You see, it is a known fact that when you spend cash, you spend less (you can actually see the "so called" money leaving your hands). When you spend with plastic, and you don't see the money, you are much more likely to spend more. This is why everywhere you go, they are always asking you if you want a store card. They know this! So GET those store cards. Don't use cash, use plastic.

Consumer Debt

These previous actions will lead to lots and lots of consumer debt. Consumer Debt is good in many ways. You obviously can't invest money if you are spending it on debt. With debt also comes stress, which ruins your health. Bad health leads to MORE debt. Stress and fear moves you out of the confident state of mind you need to be in to accomplish goals.

Wrong Insurance

If you want to protect your family against the loss of your life, then the last thing that you want to do is buy life insurance. You want to buy DEATH INSURANCE! Rather than invest your money Freely, it would be better for you to put it inside an insurance policy, where it is eaten up by fees and or other conditions. Your objective should not be to accumulate enough money to let your life insurance policy go. You want to pay for insurance your entire life (even after your kids are grown, and they don't depend on your income any more). This way, your money is always tied up.

Low Rate of Return

If you read the article The Rule of 72, then you know how fast your money can multiply when it is making a high percentage. So let's stick with low percentages. What you can always do, is save your money in a BANK. What are banks paying now? 1-2 %? Let's go with 2%. If an 18-year-old were to put \$20,000 into a bank that was paying 2% interest, it would double to \$40,000 in 36 years! In 72 years, it would double again to

\$80,000. When this 18-year-old becomes 90 years old, he/she can retire with \$80,000. \$80,000 72 years from now is BROKE.

So if you want to achieve broke-ness, don't ever "invest" in anything at all. You see investments (whether it is the stock market or a business or something else) are risky. Don't invest in things that are risky. Put your money where it is guaranteed... TO KEEP YOU FROM RETIRING. Never become an owner of your money. Always give it to the middle man (The Banks), let them invest it and pay you crumbs in return.

Lack of Knowledge

Lack of knowledge is beautiful when it comes to finance. There are thousands of financial institutions out here waiting to rip you off when you don't know any better. Never do your own research about anything financial. Just open your phone book and call a "specialist" or listen to an advertisement on TV or radio and call right in. There is no need to spend money and time to educate yourself on personal finance.

Dependence on Others

Another great way for a person to stay broke is to depend on other people, rather than move toward self reliance. You see, one of the great benefits of "lack of knowledge" is that you can pay money (as if you aren't broke enough), and hire somebody, and depend on them to do your finances for you. And, since you don't really know anything, then there is no way for you to know if what they are telling you is right.

Why spend 50, 100 or even \$200 educating yourself on finance, when you can pay someone who you don't know hundreds and even thousands of dollars (in brokerage fees & per hour fees) to get you where you want to be?

And since the financial services industry in general, has proven itself incompetent (to the point of in many cases having to merge with other companies, or be bailed out by the government because they can't even keep THEMSELVES in business), depending on a rep from one of these companies without knowledge is a great way to increase your chances of being broke.

Another great thing that you can do, is to depend on your children to take care of you. Most parents inadvertently make this decision when they decide to spend all of their money saving for their kids college education, rather than saving for their retirement, even though kids with no money have many options when they get to college age, but parents with no money are option-less when they try to retire.

Depending on the U.S. government to help you when you retire is another great way to be broke. Considering the fact that the vast majority of homeless people in America are WAR VETERANS, The U.S. of A has a proven track record when it comes to helping those people who have contributed to this country.

Now, if you had a billion dollars to spend, where would you spend it? Would you spend it on small and BIG business in the hope that these corporations bring in BIG profits, and therefore have to pay BIG TAX back to you? Or... would you spend that billion dollars to make elderly people comfortable, and get nothing monetary in return. Well... whatever your answer is, I think that we all know what their answer is.

With this in mind, waiting on Social Security, Government Healthcare and other benefits to save you is really a good way to lose out in the end.

Procrastination

This is truly the greatest way for you to go under. Whatever decision that you make regarding your finances... why not just WAIT TILL TOMORROW?! And when tomorrow comes, just wait until the next day. Procrastination is so beautiful. It ensures that nothing ever gets done. So what ever you want to do when it comes to your finance (drawing up a spending plan, saving, investing etc, etc), just don't do it! This way it will surely never get done.

Urban Myths of Finance

The following are some great myths to subscribe to if you don't want to be financially independent.

A Penny Saved is a Penny Earned.

While originally this phrase was probably uttered with true and good intentions, it has now become one of the biggest lies that has ever been told! This lie has become so big that companies will now jack up the price of their goods and then give you a special customer card which will allow you to pay the regular price and "SAVE" the difference.

Everything now is always on sale. People now go out and "Earn" money every day. If you live in an apartment complex, it would be perfectly reasonable for you to go out and spend \$1000 on a riding lawn mower. Why? Because this lawn mower normally sells for \$2000. You just earned a thousand dollars. At this point most people don't realize that if you don't need something you aren't really saving money, you are just blowing less money.

So if you want to be broke, then just keep "Earning" money.

Debt Equals Wealth

I talked about this myth in the Conspiracy of Home Loanership. One sure way for you not to be wealthy is to shift your focus from wealth to net worth. Net worth is a fictitious number that represents your financial worth. You see, if Kenny has a \$200,000 house

(paid for) and \$5 in a bank account. Kenny's Net worth is \$200,005! But truth be told, Kenny only has \$5 dollars. His net worth can't even get him an Extra Value Meal.

Outside of selling his house, in order to get his hidden money, Kenny has to BORROW it. Borrowing Power is a great thing to strive for when you want to be wealthy. The more money that you can borrow, the better. Don't worry about accumulating ACTUAL MONEY. Worry about accumulating the ability to borrow money if you need to (which you will if you don't have any money).

Dollars Make Sense

While the Imperialist Rulers of the Federal Reserve Bank continue to commit to spending Trillions of dollars (while reporting to YOU that they are going to spend 787 Billion), the money that is in your pocket is worth less and less. If you want to assure that the money you have (if you can even call it that) will be worthless, then stay away from precious metals.

Don't learn how to invest in gold, gold coins, silver coins or anything else. Put all of your trust in the good ole U.S. dollar.

The Economy is...

One of the best things that you can do to fail at "PERSONAL" finance, is to buy into Mass Media's view of the economy. People talk about how bad the economy is now. But when you look at the statistics, the vast majority of Americans are two paychecks away from bankruptcy, and it has been that way for years and years. So was the economy ever good? Is the economy bad now, or worse?

A lot of people (even though they haven't been directly affected) are now being more frugal and are moving towards saving money now because of this "bad" economy. So it stands to reason that if we all thought the economy was bad all along, that we would have saved a lot more money and moved away from blowing all of our money to these big corporations.

Maybe the idea that the economy was good was all a part of the master plan. Personal finance is just that... Personal! How do you think Bill Gates economy is right now? Now listen, I'm not here to tell you that we are not in a recession. Wait... let me take that back. I am telling you that we are not in a recession. We are in a DEPRESSION.

My point is simply this. You obviously can't control the overall economy. All you can control is you. So if you want to be broke, one of the best ways to do so is to focus on what you can't control. Focus on what the media tells you. This will guarantee that you never reach Financial Independence.

I hope that this has helped.

So until next time,

Free Your Mind... Online

Matt Mason

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