

## *Preface: Getting Ahead—Myth or Reality*

How many times have you said to yourself, “if only...”?

We hear it quite a bit: “If only I could pay down my credit cards....or pay off my car loan.” And the biggie: “If only I could get ahead.”

If you think about it, “if only” is made up of part wish and part regret: We often wish we had more money but regret—or feel guilty about—not having saved more.

It’s a problem far too many Americans face. We work hard, but we also play hard, and compared to most of the rest of the world, we live well too. We like our toys—our big screen TVs, our Xboxes, our smart phones. We have nice houses, but truth be told, how many of us face a mortgage payment that’s just a bit too high every month? We use our credit cards far too much (the average American household’s credit card debt hovers around \$8,000, close to what some experts say is unsustainable<sup>1</sup>). We spend far too much on going out to eat, on movies, on a lot of things. Take coffee for example. Major coffee companies are making a fortune off our daily ritual. We don’t think about the \$5 or more we spend on coffee—every day. But if you spend \$5 a day on coffee, even just during the work week, you are spending \$25 a week, or around \$1,300 a year.

We spend, and spend. And spend. We feel guilty because we’re not saving. We think we’re being careful about our money, but come the end of the month, too many of us are broke. So when we’re asked to save our money, we don’t like it—not necessarily because we don’t want to but because we don’t think we can.

We have encountered horror stories. A couple makes collectively \$300,000 a year. They are so over-extended on credit card debt, car payments, and mortgages for their multiple homes, they are unable to put away even \$200 a month in savings. (We were shocked by that, but it’s more common than anyone would like to admit.)

While most of us can't even really dream of what life would be like making that much money in a year, it is real for many of us to make \$50,000 to \$90,000 a year, either singly or in combined incomes if we're married or have a long-term partner. But no matter how much or how little we make, we constantly complain about not making enough. If we only had more, we would be able to put some away for a rainy day—or if we have any sense of longevity—retirement.

We are very bad when it comes to saving money. It just isn't easy or the natural thing to do. But it has its consequences. The Government Accountability Office (GAO) estimates that by 2050, a full one-third of Americans will have save *absolutely zero* in tax-deferred retirement vehicles like 401(k)s. (The GAO, the investigative arm of Congress, is supposed to help improve the performance and accountability of the federal government for the benefit of the American people).<sup>2</sup>

So what to do?

Joe is a Certified Financial Planner (CFP®). Tyrone is a Certified Financial Educator and Registered Financial Consultant. Together, we represent close to eighty years of helping people get control of their money. Our job is to help people manage their finances effectively and find safe, effective ways to reach their financial goals by helping people understand their money. We do this primarily through education. Our goal is that if a catastrophic illness happens, our clients won't lose their house, or car, or wind up in bankruptcy court. It also means that we help our clients plan and execute sound financial policies that work for their particular situation, whether that is having a nest egg of money to draw from to start a business or finance a car or college education for their children or to plan smart for their later years when they are no longer willing or able to work.

The number one concern for Baby Boomers looking to leave the work force is that they will run out of money in retirement.<sup>3</sup> Smart financial planning can help ensure that will never happen. But what is “smart?” Saving 10 percent of your income in a 401(k), allocating some

of that to stock market mutual funds and the rest in a readily available money market? We have never seen that strategy work for the long-term.

We have long practiced a very important maxim: it's not how much you make; it's what you keep. It's also what you do with what you keep, and that's where the discipline comes in. It is very smart to be saving money, but doing that requires something many of us were never taught—discipline.

“Discipline” to many means the angry teacher or parent hovering over you when you've done something bad, and making you pay for it. But discipline actually means that you have defined boundaries and you stick to them. This type of discipline is actually the bedrock of the American Dream—people who have come from nothing, but with hard work and smart money planning, they no longer have to worry about money. Unfortunately, very few Americans realize that fact, let alone practice it. We both know what it takes to come from very little. Joe is from Mexico. He came here when he was in his teens. He grew up in Mexico City where grass and other greenery is scarcer than even in New York City. When he stepped off the plane in Des Moines, Iowa, he was stunned. He had never seen such profusion of green in his life. Green lawns, green fairways along the roads, green parks. It represented something to him, something that all immigrants know about. America really is a land of abundance. It is also the great land of promise.

Tyrone grew up in Denver, a rare Colorado native. He started in the insurance business right out of high school, and he's never looked back. He has appeared on numerous television and radio shows, both local and national since 1990, he's published hundreds of newspaper, magazine, and journal articles and has authored or co-authored over a dozen books. He received hundreds of awards, both in the insurance industry from many charitable organizations.

Both of us learned the power of discipline with our own finances and have reaped the benefits. We have also helped thousands of others

find financial peace of mind, even when they weren't the "typical" profile for attaining that so highly desired state.

Here are some notable examples:

Carlos, another immigrant from Mexico, came to the United States as most immigrants do with literally nothing. He didn't even have a high-school education. He worked as a laborer, put himself through school, and is now a pastor. He's not wealthy. He doesn't even come close to the \$60,000 we cited above. But he owns his own home! When Joe met him, he had to find out how someone who made practically nothing could accomplish that—a landmark but highly elusive accomplishment for most Americans. Carlos said with all sincerity. "Joe, it wasn't difficult. If I had \$15 in my pocket, I would spend \$5 and put the rest towards my home." Once he owned his home, that same discipline applied to saving money.

Asia is a seamstress and single mother of two. She diligently puts away \$100 a month. That is a *lot* of money for her. But she makes the sacrifice because, like all parents, she wants to make sure her children are taken care of. That's discipline.

But Carlos and Asia aren't just disciplined. They're smart. They don't put their hard-earned dollars in the bank to earn barely 1 percent.<sup>4</sup> They discovered a way to save their money in such a way that they can make a consistent rate of return that is far better than the banks while ensuring their principal balances are *always* protected.

Other Americans who have lived here for generations have also discovered how to do that. And because of it, they are able to live quite comfortably. One of our good friends and champions of our Smart Money Moves program is Paula Haddock. She is a Denver media personality, and she has her own American Dream success story. You will hear more about her story later, but for now, know this: because she has discipline, she has been able to pay off her condominium in the mountains that had twenty-seven years left on the mortgage. Because she discovered the secret to smart money moves—a way to constantly make money on the

money she's spending—she was then able to “upgrade” to a beautiful two-bedroom condo in the same mountain town. If that sounds impossible, know that it is something that everyday Americans are doing more and more. It is definitely a secret the rich have known for years (people like Walt Disney, families like the Boettcher family here in Colorado, J.C. Penny, and the very famous House of Rothschild—just to name a few).

Saving money doesn't have to be a burden. It also doesn't mean you need to stop spending your money completely. Savings and spending is not an “either or” proposition. Instead, being smart with your money means you spend it well so you can save it wisely. We will remind you of that throughout the book, because *Smart Money Moves*, is all about unlocking the secret Paula, Carlos, and Asia know. They spend, they save. Their money grows in such a way that is never threatened by stock market loss, yet they have access to their money, potentially income-tax free, so that they can live more comfortably and without worry.

If that sounds like something that would be of value to you, we invite you to read on.