

**Enjoy Your Money!**  
**How to Make It, Save It, Invest It and Give It**

***The Adventures of the Counterculture Club***

***By J. Steve Miller***

**Wisdom Creek Press**

## Advance Praise

"A comprehensive look at managing your money. For me, the genius of this book is that it gathers wisdom from top financial gurus and uses it to explain clearly and practically how average folks can apply it to everyday living." (Alan Buckler - *Allstate Insurance*)

"I really liked the format! The dramatic layout used a totally different part of my brain when I read it...it's like watching a movie or reading a novel. The story line kept my interest so that I got through it quickly. The content was very inspiring. 'Living differently' and 'starting a financial counterculture' hits home to me. And it was SO PRACTICAL! I think it will also appeal to most of my generation and the one coming up behind me." (Anthony Daniel, age 28, Chemist, *Tiarco Chemical*)

"I loved the story and the characters! Read this book and you'll get the practical tools and wisdom to chart your own course toward financial freedom." (Jamie Maddox, former Senior Business Analyst, *The Coca Cola Company*, present Pastor of Stewardship, *NorthStar Church*)

"Financial responsibility has reached a state of crisis. This book attacks the problem in a common sense, refreshing manner that anyone can understand and apply to real life. It should be required reading for all young people, before they find themselves broke, deeply in debt and miserable." (William C. Lusk, Jr., Senior Executive Vice President & Chief Financial Officer, Retired, *Shaw Industries*, a *Fortune 500* company and the world's largest manufacturer of carpet)

"A very entertaining, engaging book! The characters are appealing and aid the reader in interacting with the principles taught. Although especially geared to older teens and young adults, all ages will enjoy it and benefit. Meticulously researched and documented. Chock full of financial and lifestyle wisdom. I'll keep plenty of copies in my office to hand out to clients." (Dr. Ken Walker, Psychologist with the *Georgia Department of Juvenile Justice* and Director of *Dalton Counseling Service*. Former regional credit manager)

"For me, the section on savings was worth the price of the book, detailing scores of hidden ways to save a fortune over a lifetime. Then, unlike many books, it goes beyond 'having more' to 'doing more with what you have.'" (Bryan McIntosh, Ph.D., *Dalyn Corporation*)

"Clever! The movie script format pulled me into the story and endeared me to the characters. Before I knew it, I found myself thinking about money strategies that I'd have never learned from traditional finance books. Teaching finance through people stories works for me. Rather than staring at obscure charts, I just followed the lives of successful people. Finally! A readable book on personal finance for people who don't want to read a book on personal finance...which of course is me and just about everybody else!" (Mark Hannah, Film Producer)

"A fast, fun read with practical and often remarkable insights. Should be required reading for every high school senior and every young adult who's landed his or her first full-time job. I'm incorporating parts of the book into my lectures." (Robert A. Martin, MBA, CPA, Lecturer of Accounting in the prestigious *Coles College of Business* at *Kennesaw State University*, founder of a tax and consulting firm)

"Every young person should read this book! It's the first time I ever laughed out loud (repeatedly!) and darn near cried while reading a financial book. And, the content is so practical that I find myself routinely reflecting on the principles in my daily money decisions. I am thoroughly impressed with the scope of information covered in this book and consider it, by far, the most valuable book on finances I've ever read." (Callie C. Brown, author of *The Complete Guide to Investing in Gold and Precious Metals*)

"Teachers of financial management and life skills will be thrilled to discover this book! Miller uses people stories to breathe life into financial concepts, making lessons both memorable and enjoyable. As an educator, I was impressed that the book:

- goes beyond 'the same old stuff' that students hate.
- *expands* minds with research-based facts.
- *engages* minds with intriguing angles and creative assignments.
- challenges students beyond selfish accumulation to consider service to humanity.
- includes multiple cultures.
- offers hope to those with learning disabilities."

(Phillip Page, Ph.D., Public School Principal)

"Financial success is simply having more than you need. Reading this book will put you on your way to achieving that success." (David E. Hultstrom, MBA, CFP, CFA, ChFC, *Financial Architects, LLC, Financial Planning & Wealth Management*)

"Had I read this book in my 20's, I'd be financially independent today. It's a remarkable blend of fabulous research with clear and lively writing. You'd pay an expert quite a sum for this caliber of counsel. That's why I say that the best investment you make this year just might be this book. Your second best investment will be the copies you buy for your children." (Dr. Dwight "Ike" Reighard, Executive Vice President and Chief People Officer, HomeBanc – One of *Fortune's 100 Best Places to Work*, four years in a row)

"As a practicing CPA and financial counselor for the past 35 years, I've read scores of books and periodicals on personal finance. Just when you think you've heard it all, something like this comes along. It's rare and refreshing to find a book so enjoyable, so accurate, and so life-changing. I'm purchasing hundreds of copies to give away to graduating seniors." (Larry Winter, *Winter & Scoggins CPA's*; Certified Valuation Analyst, Certified Fraud Examiner, Personal Financial Planning Specialist)

For My Wife, Cherie, and my seven sons: Steve, Josh, Andrew, Benjamin, Mark, David and Paul.

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Please do not construe this book as the author's or publisher's prescription for your personal finances. Only a qualified financial counselor who knows your specific life circumstances, your personality, your goals and your objectives might be qualified to advise you in these matters.

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## Preface

This book will help you to:

- get out of debt and accumulate wealth.
- get ahead, even when the work you love doesn't produce big bucks.
- find your strengths and passions and make a living with them.
- live a more fulfilled life.

You'll discover the wisdom of the great makers and accumulators of wealth, presented in a story form to help you understand, internalize and have fun in the process. You'll learn investing from Warren Buffett, the world's greatest investor and wealthiest man in the world. You'll learn principles of business success from Sam Walton, the uber-successful founder of Wal-Mart. You'll find advice on landing and succeeding in a dream job from experts in career guidance.

### Is This Book for Me?

You're never too young or too old to discover these ageless principles. They apply to the seasoned business executive as well as the entrepreneur with his first lemonade stand. Warren Buffet caught his vision at age five and started investing at age 11. My grandmother started multiplying her money in her mid-60's. At age one hundred and two, with her sharp mind intact, she's accumulated a small fortune.

### What's Unique About This Book?

Many books teach personal money management. Some of them are good. But, as Paul A. Samuelson (MIT Professor of Economics and Nobel Laureate) said:

*"The same surgeon general who required cigarette packages to say 'Warning, this product may be dangerous to your health' ought to require that 99 out of 100 books written on personal finance carry that same label. The exceptions are rare."*<sup>1</sup>

I strove to be one of those exceptions by basing my advice not just upon years of personal experience, but upon the knowledge and experiences of well over one hundred wise people. In the process, my house at times bore more resemblance to the famed library of Alexandria than to a home. But each new book or interview seemed to offer new angles or fresh insights, often pointing to new paths just begging to be traveled.<sup>2</sup>

After writing my first draft, I put it into the hands of over forty smart people I respect, asking them, "If you could put a lifetime of financial wisdom into a book, is this what you'd say? Be ruthlessly honest!" Their input proved invaluable.

Essentially, I distill the wisdom of the wise on working hard, working smart, saving, investing and giving - all the ageless basics - applied to today's world. I was especially fascinated with the counterintuitive nature of so much of their advice. The more you study the successful, the more you see why most people aren't very successful. The path to financial freedom isn't the path that initially appears obvious. Thus, the need for books to challenge the conventional thinking of popular culture.

I cover critical topics often left out of books of this nature. For example, the excellent studies of millionaires by professors Thomas Stanley and William Danko found that character traits such as integrity, diligence and thrift are shared by most who accumulate wealth.<sup>3</sup> The massive Gallup study of managers and people at work helps us discover our passions and strengths and put them to work in a fulfilling career.<sup>4</sup>

Finally, people usually seek money, not as an end in itself, but as a way to find peace and happiness. Funny that so many money books assume that lots of money will automatically cure our ills and put smiles on our faces. When does money help lead us to happiness? When does it hinder our happiness? Social scientists have studied happiness extensively and drawn some fascinating, counterintuitive conclusions.<sup>5</sup> Isn't happiness important to consider in handling your money?

Money management can be exciting! I believe that this story of Antonio, Akashi, James, Amy and their mentors can build some of that excitement. It's fun to beat the system. It's fun to see your money grow. It's fun to feel successful. It's fun to have enough money to help others. To this end, I hope you have fun reading my book.





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## **Introduction**

### **From Cliff Hanger to *Hash Brown's Breakfast Bar***

**August 15, 2005, Somewhere in the Montana Rockies...**

Dangling off the edge of a massive rock, something had to give. Antonio could no longer hang on to both his well-chalked handhold and his struggling, neophyte climber - a Down 's syndrome teen named Chad.

Antonio shot a piercing glance directly into Chad's fear-filled eyes. "I've got to let go of ya, Chad! Trust in what you've learned and hang on to that rope!"

After the briefest silent prayer, Antonio let go....

Chad let out a blood-curdling scream, which quickly shifted into quiet concentration as he relaxed his death-grip on the rope and let it slide through the carabineers. He pushed off of the rock and began bouncing down the cliff. Rappelling with newly found confidence and his own distinctive style, his silence erupted into laughter. Chad had conquered yet another challenge during his week-long retreat with *Extreme Wisdom Wilderness Adventures*.

Antonio free-climbed his way down the adjacent rock, shouting triumphantly to the cloudless sky, "What a job! The wilderness is my office. My clients love me. I'm changing the world, one person at a time!"

Then, he chuckled to himself as his mind rewound to a decade earlier, to "In School Suspension," "The Counterculture Club," and that loony old Mrs. Kramer, who turned out to have more sense than anyone he'd ever met.

"Without them," Antonio thought, "I could have never landed this dream job. Not the way I handled my money back in high school. When I get back to civilization, I'm calling a reunion of the "The Counterculture Club."

**11:00 PM, Two Months Later, *Hash Brown's Breakfast Bar* in Acworth, Georgia...**

Second-shift manager Larry Wiersbe was experiencing a rare lull in customers until four rowdy twenty-somethings suddenly charged in, looking like they'd stepped straight out of a culturally-sensitive brochure: an Asian girl, an African-American guy, an alternative-looking Caucasian girl and a Hispanic guy.

Larry introduced himself, took their orders and retreated to the grill until a sudden movement forced him to glance at the crowd. The Asian had jumped up suddenly and was swinging her glass Ketchup bottle over her shoulder like the start of a tennis serve. Then, she brought it down forcibly toward the table. Before he could intervene, she stepped back just far enough to miss the table. Riotous laughter followed, until an

elderly lady appeared in the entranceway. She pointed her cane at the small party and announced at the top of her lungs, "I christen thee, 'The Counterculture Club!'"

"Mrs. Kramer!" the Hispanic shouted, as they sprang from their seats to hug their old mentor and friend. High fives, hand slaps and severely dated hand-shakes followed. After all the commotion, Larry half expected them to boost the old lady overhead and body surf her to the table. Instead, they led her gently by her hands, respectfully seating her at the head.

His curiosity piqued, Larry followed their loud conversation from the grill.

"You crazy kids!" Mrs. Kramer began. "What in the world have you been up to? You kept me up-to-date with e-mails and an occasional meeting for a few short years, but then you fell off the face of the earth, you ungrateful bums!"

"You were never one to beat around the bush," Antonio said sheepishly. "I'll be the first to plead guilty to the charge of not writing..."

"Enough with the boring confessional," Mrs. Kramer broke in. "I'm dying to catch up with your lives!"

For the next hour, Larry listened intently to some incredible success stories. Although far from perfect, these people seemed to "get" something that Larry didn't. They exuded vision, goals, purpose. Much of the conversation revolved around finances – refusing debt, making, saving and investing money. But then the conversation would move seamlessly to finding fulfillment in serving others with their time and money.

Larry knew he didn't fit in. He shared their age, but that was it. The three credit cards in his wallet were stretched to the max. He worked two dead-end jobs just to keep his head above water. At this rate, he'd never own his own home, much less have the time and resources to help others. And he resolved to never marry a girl who was stupid enough to choose such a loser. Finally, he got the nerve to break in.

"OK guys, it's midnight, closing time. But you've obviously got something I desperately need. Unless you're all high or suffering from delusions of grandeur, you've achieved a freedom that's eluded me all of my life. Can you tell me what you learned from this lady that made your lives into something I'm envying?"

They looked at each other and shrugged.

"I'll cut a deal with you," Larry continued. "If you'll tell me in one hour how you've achieved this..." "financial freedom" as you call it, I'll let you hang out as long as you like. Plus, I'll serve you whatever you want. No charge."

"Why not?" said the old lady. Obviously the mouthpiece for the group, she seemed to enjoy taking charge once more. "It would be a hoot to reminisce about old times, and a

helpful review for these slow learners. Keep that order pad handy, because you'll need to jot some of this down."

"And you'd better pull up your chair," chuckled the black fellow, "because once you get us started, we'll take more than your hour."

## In School Suspension

"I'll start," volunteered the alternative-looking blonde. "I remember that first day vividly because I've relived it in my mind a hundred times since. You wouldn't have recognized me back then. As a fifteen-year-old, I didn't have the cheek-ring or tattoos that today help jump-start conversations while volunteering at the Juvenile Center. Back then, I was a reluctant cheerleader. This unlikely group first met in ISS."

"In School Suspension?" queried Larry.

"If you don't know, you must have been one of the good boys!" teased the Asian.

"So, I walked in to find these three students, but no teacher. I'd hoped someone I knew would be there, but no such luck. An assistant principal broke the ice by stepping in and explaining that our teacher would arrive shortly. Then she asked for our names and wrote them on a legal pad:

**Antonio, Amy, Akashi, James.**

She took another sheet and began to read our crimes, something like this:

## Flash Back to High School

"Antonio: Fourteen tardies? We're only into the fifteenth school day!"

"I'm not a morning person," Antonio offered.

"Akashi, sleeping through Algebra again? I figured you'd be good at Math."

"Not all Asians can be Math geniuses, you know," Akashi responded, showing more than a hint of attitude.

"James, caught in the hall without a pass."

"The teacher wasn't around, and when you gotta go, you gotta--"

"Spare me the details. And Amy, what's with parking in the teacher's lot?"

"I was late, and a visitor had taken my spot."

"Typical teens: all victims, none responsible. Anyway, Coach Helms will be in shortly."

As the door closed behind her, Akashi mocked, "typical teens...all victims, none responsible. And since I'm Asian, of course I sit around studying Math for fun. I'm so tired of this prison of a school. And here I sit in house arrest with a couple of jocks and a cheerleader."

"So you resent being labeled a stereotypical Asian Math whiz but have no problem labeling us as stereotypical preps and jocks?" shot back Antonio. Can you say "hypocrite?"

"We're getting off to a bad start," offered James. "If coach Helms walks in and finds us in a rumble, we'll be stuck in ISS the rest of the year. Obviously, none of us want to crack a book until we have to. Let's break through the stereotypes and get to know each other a bit. Surely we have *something* in common. Amy, you're a cheerleader, right?"

"I hate cheerleading," complained Amy. "It's not me at all."

"What do you mean?" asked Antonio. "You so look the part."

"I'm a rebel living in a preppie world. You see, my brother started dressing goth in high school about the same time as he discovered drugs. My parents, fearing the same would happen to me if I got with the 'wrong' crowd, won't let me near a Hot Topic or thrift store. I understand their concern, but I'm not about to do drugs. I see what they've done to my brother. But I'm not comfortable with jocks and preps."

My parents want the best for me. I don't want to hurt them. But I'm counting the days till I go off to college, shed these Abercrombies and join a punk band. Alone in my bedroom with my bass, I can keep up with almost any song you give me."

"Amazing. And you guys probably think I play Soccer," teased Antonio. "It's never interested me. I'm more into weightlifting and wilderness adventures, like rock climbing and caving."

"If you're into stereotypes, I *do* like basketball and fried chicken," offered James. "But I *don't* like watermelon, and I'm *not* on the school basketball team. I spend my after school hours making money. My parents always fight about money, so I plan to make a million by the time I'm 40 so that it won't be an issue in my family."

"Parents with money problems, now *that's* something we've got in common," replied Akashi. "My parents are so obsessed with 'getting ahead' that they work day and night and weekends. We live in a nice neighborhood and have great cars, but they can't enjoy life. They have to work all the time to pay the bills. I'd much rather live in a one room apartment and have time to travel and hang out with my family. Amy, what about your parents?"

“They’d love to teach at the University and write on the side, but they can’t quit their corporate jobs. They need the money. They’ve never been savers. They max out their credit cards over Christmas, pay them off by the end of summer and start the cycle over again the next Christmas.

When my brother went into drug rehab and insurance wouldn’t pay, Mom and Dad had absolutely no savings to draw from. They took out a second loan on the house and are now in worse financial shape than ever. It’s depressing. They’re always tired and worried. I can’t see how they’ll ever dig themselves out of this hole. Antonio?”

“Mom works day and night to support the family. Dad’s a deadbeat. He’s always either looking for a job or complaining about the job he has. Money’s definitely a big issue at home. Mom and Dad argue all the time about it. It gets so bad that I fear Dad will eventually pack up and leave.”

(Enter Coach Helms.)

“Okay class. Sorry to be late. I recognize all of you from previous suspensions, so I’ll dispense with introductory matters. Please open your text books and get to work.”

“Coach Helms, we’ve got problems,” interjected Akashi.

“Hello! That’s why you’re in ISS, Right?” offered Coach Helms.

“Not *those* problems,” explained Akashi. “I’m talking about family problems. Our parents suck with their money.”

“Tell me about it,” said Coach Helms. “I wish I had some answers, but I overslept this morning because I work a night job to make ends meet. I can’t seem to make it on my teacher’s salary.”

“Is everyone in this town hopeless with their money?” asked Akashi. “If you don’t give us some answers, we’ll end up just like our parents – broke, tired and whining all the time. You’re supposed to be our teacher. Give us some direction here.”

Coach Helms thought for a moment, tapping his pencil nervously on the desk. Without looking up, he said, “What about Mrs. Kramer?”

“Old widow Kramer, the Social Studies teacher?” asked James. “I had her for a class. She dresses worse than my grandma...and her car isn’t anything to brag about.”

“She may not look the part,” said Coach Helms, “but my banker says she’s the best money manager he knows. She’s got all kinds of investments going. Besides Social Studies and Business, she also teaches Money Management.”

“Come to think of it,” continued James, “I remember her being hyped about her world travels. I wondered how she paid for it on a teacher’s salary. Maybe she got a big life insurance claim when her husband died. But she can be a little scary...and those riddles....”

“Her personality...,” continued Coach Helms. “She’s definitely a work of art. More Picasso than Norman Rockwell. Been around students so long that I think she’s more comfortable with teens than adults. Hardly ever see her in the teacher’s lounge. Speaks your language.

She eats second lunch. How about this? I’ll let you eat second lunch. Try to connect with her. Until then, get out those notebooks. I want to see some progress.”

**Hmmm...**

- 1. What are your friends and relatives doing right with their finances that you’d like to emulate?*
- 2. What are your friends and relatives doing wrong with their finances that you’d like to avoid?*
- 3. What would you like to learn most about making and managing your money?*
- 4. For more free discussions and activities for each chapter, visit [www.enjoyyourmoney.org](http://www.enjoyyourmoney.org).*

## **Old Widow Kramer**

### **Fast Forward to Reunion**

“So we met her for lunch, and she told us her story,” Amy continued. “Tell him about it, Mrs. Kramer.”

“At thirty years of age, my husband died of cancer, leaving me, not with a fat life insurance pay out, but with over \$20,000 in credit card debt and funeral expenses. The monthly payments on those debts were killing me. Every time the phone rang, I knew a debt collector would be on the other end, hounding and threatening me.

So I sold my house and moved into a condo to pay down my debts and reduce my expenses (and avoid mowing that blasted yard). Then, I took a weekend job. The extra job also helped keep my mind off of my grief. I worked like a dog to dig my way out of debt and get those accursed creditors off my back. In a little over four years, I paid those debts in full, on a day I refer to as ‘one of the best days of my life.’ I felt soooo free!



From that experience, I got a bad taste in my mouth about debt. I avoided it like the plague. I vowed to never again make credit card payments unless it was absolutely necessary.

I still owed about \$15,000 on the condo, so I kept my weekend job, putting all my extra money into paying it down. I was amazed at how quickly I paid it off. I was totally debt free! Nobody could take my home from me. It was mine.

With very few expenses, I quit my weekend job and divided the money I used to make in payments into investments, travel and giving to worthy causes. So far, I've saved up about \$500,000 toward an early retirement."

"From \$20,000 in debt to \$500,000 in savings!" reiterated Amy. "That was quite an impressive story – actually, a bit unbelievable at the time."

Amy continued. "From that short lunch, we knew that there was a lot more wisdom where that came from. And it was more than book wisdom. It came from her experience. She had beaten the system that was killing our parents. If we could learn her lessons at age 18, she could save us tons of headaches along the way."

"More than that," added James, "I decided that she just might hold the key to my dream of making a million dollars by my fortieth birthday and taking early retirement."

"My needs were more emotional," admitted Akashi. "My older siblings were academic overachievers. My parents drilled into me that 'A's in school would set me up for an 'A' career and an 'A' life. But somehow I'd botch up every class with 'C's and 'D's, which I thought would guarantee me a 'C-Minus' life. I was a loser, and felt that everyone saw a huge 'L' tattooed on my forehead. I acted tough, but was scared stiff at the thought of meeting with Mrs. Kramer. Yet, I felt that she offered a glimmer of hope. I was desperate. What did I have to lose?"

"We asked her if she would meet us for breakfast once a week," continued Amy, "to ask questions and learn more. She said that she'd love to, if we'd pay her \$5.00 each per breakfast. She explained that it would be a good lesson for us to pay for wise counsel.

For the next year, we met with her every Saturday morning, here at *Hash Brown's*. Sometimes, we'd discuss a book for a month of meetings. Other times, we'd just ask questions. We'll just tell you about the meetings where she pulled out her notebook and covered new topics. Each week, she exposed us to stuff we'd never learned, either at school or at home. Those meetings changed our lives."

**Hmmm...**

- *Was it really possible for Mrs. Kramer to go from \$20,000 in debt to \$500,000 in savings in a span of about 30 years?*

- *What keeps most people from making such a dramatic turnaround?*
- *What could have kept Mrs. Kramer from getting into her predicament in the first place?*

# Part One

## Investing Money

## Breakfast #1

### Discover the Basics

"I remember that first meeting well," volunteered Antonio, wincing. "I'll tell about the first two breakfasts.

So, I stroll in at 9:04 to find everyone there, waiting on me."

#### Flashback

**Kramer:** You're four minutes late!

**Antonio:** I have a hard time getting places on time.

**Kramer:** When you're late, you waste our time. Half of success, financial or otherwise, is showing up...*on time*. It's so important that I'll lay out some incentive. If you're late next week, you pay for the entire breakfast by yourself.

#### Fast Forward to Reunion

"Everyone but me thought it a splendid idea, so my resistance was outvoted. I was more than a little ticked off, threatening that I just might not show up at all next week. Kramer nonchalantly replied that it was my choice. We learned quickly that if we wanted her advice, it would be on her terms, not ours. She ignored my pouty expression and continued."

#### Flashback

**Kramer:** So you want to learn how to handle your money. Well, if I talk the entire time, I don't get to eat. So let's do it this way. We order our food. While we wait for it to come, I tell a story or throw out five to ten minutes of advice while you think and jot down notes.

After the food comes, everyone throws in their thoughts. I want to know *your* experiences with the concept, good or bad. Take your best shots at my ideas. Too much education these days is merely transferring a set of notes from the teacher to the students, without it going through the minds of either.

I'm not easily offended. Tell me why it won't work for you. Your objections and comments will help us distill each concept into something that will work for *you*. At the end of each session, tell us what you want to deal with the next week. That way, we stay practical. Sound good to you?

(Everyone agreed as the waiter arrived to take our orders.)

**Kramer:** First, I'll pass out a sheet that should help you to lighten up on your parents. I know that you think they're totally incompetent buffoons with finances. I want you to understand the bigger picture of our culture, a big part of the reason for their money issues. Your parents' neighbors, friends and relatives probably handle their money the same way. They're just doing what their culture has taught them. When everybody's doing it, it's hard to question your way of life.

**James:** You're saying that if I were to live with my neighbors for awhile, I'd likely find the same financial problems that Mom and Dad have? I've assumed that their nice cars and smiling faces meant that they were better off than me.

**Kramer:** Wrong assumption. Here's the way many of your friends and neighbors manage their money.

## **Personal Finances in America**

**According to surveys:**

- **Ninety-seven percent of workers over 45 say they regret how they spent their money, in light of how much they could have saved.<sup>1</sup>**
- **Almost one in four adults live paycheck to paycheck.<sup>2</sup>**
- **Fifty-nine percent of Americans don't save regularly.<sup>3</sup>**
- **We're getting worse and worse at saving.<sup>4</sup>**

**Twenty-five years ago, Americans saved over ten percent of their income.**

**Ten years ago, we saved 4.5 percent.**

**By 2005, for the first time since the Great Depression, we spent more than we earned.**

- **Approximately 1,500,000 Americans declare personal bankruptcy each year.<sup>5</sup>**
- **The average college student graduates with over \$20,000 in debt.<sup>6</sup>**
- **Most Americans haven't even calculated how much money they need to retire.<sup>7</sup>**
- **Personal debt is reaching record highs, and personal savings is reaching all time lows.<sup>8</sup>**

**James:** That's insane! I'd hoped that retirement would be the time for me to say goodbye to the eight to five grind and relax at a beach house. If I follow the crowd in finances, I'll be worrying about money the rest of my life!

**Akashi:** One in four adults living paycheck to paycheck? Talk about risky living! And adults complain about teens' risky behaviors! A short-term job loss or illness could put them in serious debt and make them lose their houses.

**Amy:** The scary side of it for me is that if we don't do something different, we'll all be over \$20,000 in debt in about six years. Then we'll go to work and live paycheck to paycheck, until we retire in a low rent district, watching *Wheel of Fortune* on one of our four antenna stations, constantly whining about how we regret the way we lived our lives and don't have enough money to have any fun.

**Akashi:** Our kids will probably hate our visits, assuming we're there to ask for another handout!

**Kramer:** Exactly! Somehow, you've got to break loose from a culture that's gone crazy with its finances. Many dig themselves into a deeper hole every day, enjoying life less and less as they spend everything they've got to pay off past debts. In the land of the free, they've become financially enslaved.

(Kramer gets a wild look in her eyes, more animated with each sentence as she rises from her seat.)

You're already different from the mainstream. That's why I relate to you. I challenge you to extend your independent thinking and counterculture attitudes to your finances.

And to that end (she pulls back a glass ketchup bottle high overhead with both hands, waving it menacingly in the air), I christen this group (she brings the bottle back down with increasing speed, aimed directly at the table), THE COUNTERCULTURE CLUB!

(She pulls back the bottle at the last second, missing the table, but sending her students scattering all directions. Kramer erupts into laughter.)

**Amy:** You scared me to death! Did you really have to embarrass us in front of all these people to make that point?

**Kramer:** A little adrenaline is good to help cement points in your memory. You'll never forget this moment. Plus, if you never get over the "Oh my gosh, what's everybody gonna think?" thing, you'll find yourself living everyone else's life, the life of your culture, rather than your own life. I like a little drama now and again to spice things up. Later today I'll get a good laugh out of picturing your faces as you envisioned ketchup exploding all over the restaurant.

**James:** (Settling back into his chair.) A good laugh at our expense! Don't be surprised if you find toilet paper in your yard from your favorite club to test your own embarrassment index. So where were we? Something about how our culture sucks at finances?

**Kramer:** From the stats on my handout, you know how NOT to handle your finances – the way most others handle *their* finances. You've seen it in your parents and now in the culture at large. Let's transition to how we can do finances *right*. This being the first breakfast, let's start with an overview – some basics of financial wisdom. In the coming weeks, we'll devote entire breakfasts to each principle.

But instead of handing out the list, I want you to draw out the basics from a real person who went counterculture with her finances. From decades of teaching, I've found that students remember stories better than lists; plus, stories are more interesting. As I tell the story, jot down the principles that you think made the person successful.

### **Oseola Enjoys Life and Saves a Fortune**

Some of us might fear that we'll never have enough money to make ends meet and enjoy life. What if your job doesn't pay well, and you can't seem to get ahead? I want to introduce you to Oseola, who has a lot to teach us. She didn't have the advantages of most of us, yet she enjoyed life and saved a ton.

Oseola grew up in a simple house with her grandmother, mother and an aunt. As an eight-year-old, she would wash clothes after school to help make ends meet. Her school education ended at age 12, when she dropped out to care for her sick aunt and work full time at washing.

So far, she's not on anyone's "most likely to succeed" list.

Her work was hard, but she enjoyed it. She washed the old-fashioned way: building a fire under her wash pot, then soaking, washing and boiling a bundle of clothes. Rub. Wrench. Rub again. Rinse. Starch. Hang out to dry. She worked Monday through Saturday, for 75 years, until arthritis forced her into retirement at age 86. She never got to finish school, never had a car and owned few possessions. Her TV received only one station. But that didn't bother her because she never watched it very much anyway.

I can hear you thinking, "Get a life, woman!" But, you see, Oseola *did* have a life – a great life. She didn't desire travel or possessions. She loved her God, her family and her work. Singing and storytelling filled her days with joy and laughter.

She never bought on credit so that she would be financially free. And since she didn't need money for a lot of possessions or travel, she invested it, a little each month. By July 1995, a half year after her retirement, she had saved – get this – \$280,000. That's over a quarter of a million dollars! Then, she stunned the world by giving away over half of it, \$150,000, to establish a college scholarship for needy students, offering others the education she never had.

Until recently, Oseola McCarty referred to herself as a "poor little old colored woman who walked everywhere." No one paid her much attention when she was out. But when the word leaked out about her donation, the world took notice.

She has since received numerous awards, been interviewed on ABC, CNN, NBC, BET and MTV. She's been featured in *Newsweek*, *The New York Times*, *People*, *Life*, *Ebony*, *Essence* and *Jet*. But all that recognition never changed her simple life. You see, she didn't *need* all the recognition. In her own words, "I think my secret was contentment. I was happy with what I had."<sup>9</sup>

Now, compare her to most Americans. Many with huge salaries haven't managed to save a cent. Many are worth less than nothing, worrying constantly about their debts. But Oseola shows me that if she can save over a quarter of a million dollars by washing people's clothes in boiling water over a fire, I can save money as a schoolteacher.

So, what do you think?

### Reflections on Oseola

**Akashi:** I'll start. I think her life sucked. She spent her entire life in a hovel working the same crappy job day in and day out, with only one TV channel for entertainment. She didn't even own a car. What kind of life is that?

**Antonio:** Akashi! Mrs. Kramer is trying to help us out here. Don't be so hard on her!

**Kramer:** I'm the one who sets the ground rules, and I challenge you to be just as outspoken as Akashi. If you other three sit there smiling at each other and sipping your juice while disagreeing in your gut, we're getting nowhere. Say what you think. Be ruthless.

Jack Welch, one of the greatest business leaders of our time, devoted an entire chapter of his book *Winning* to push for *candor*.<sup>10</sup> He observes that we usually don't tell it like it is, fearing we'll hurt people's feelings. He thinks lack of candor is deadly to business.

Lack of candor may be easier in the short-run, but it hurts us in the long-run. Without candor, we don't face reality. Be honest, guys! Do you agree with Akashi?

**Antonio:** I'll be candid with you, Akashi. In ISS you complained about your parents being so wrapped up in their work and living in a ritzy neighborhood that they didn't have time for the important stuff, like family.

Oseola chose relationships over things. She enjoyed working at home, spending time with her relatives and helping others. She didn't secretly desire to get the latest version of Halo or go to Disneyland. She lived life the way she wanted to, had lots of fun and can look back with the satisfaction of knowing she helped others along the way.

Think of Einstein. He never drove a car. He enjoyed thinking more than mansions and hot cars.

**Akashi:** You nailed me. As much as I complain about my parents' obsession with things and money, I'm pretty hooked on some of my things, like always upgrading to the latest cell phone, playing online games till late at night and the freedom that my car gives me.

But fun is different for everyone. I *do* admire Oseola for bucking the crowd, choosing her own path, finding financial freedom and putting people first.



**Kramer:** We don't have to adopt *everything* about her life. But what *can* we learn from her financial success?

**James:** I'm astounded that she could accumulate such wealth from what must have been a pitiful salary.

**Amy:** I think it's actually pretty simple. She spent less than she made. With no car, low-cost housing and no frivolous spending, she could save more than a lawyer who has a great salary but spends it all on his ritzy house and payments on his Porsche. The first thing I learned from Oseola is: **Live beneath your means**. All of our parents make tons more than Oseola, but I'll bet you that everything they get on Friday is spent by the next Thursday. You can't save if you spend all that you make.

**Akashi:** Look not only at what she *did*, but what she *didn't* do. She didn't own even one credit card. Whereas most of us spend outrageous money in interest, she waited till she could pay cash. I'll bet that one habit saved her thousands and thousands of dollars.

**Kramer:** You bet right, Akashi. In Oseola's own words,  
*"I save my money till I can buy something outright."*<sup>1</sup>

**Akashi:** So, principle number two is: **Avoid paying interest**.

**Antonio:** Principle number three: **Save for the future**. If she had a medical emergency, she wouldn't have to sell her house to pay for it.

**James:** She took the money that she would have been paying the credit card companies and invested it, so that she was *receiving* interest rather than giving it away. Over time, it all added up. Principle number four: **Invest over time**.

**Antonio:** **She worked hard at something she enjoyed**. Even a small salary adds up when you put in the hours.

**Kramer:** I think you've summed up the basics of financial wisdom. Think about those principles this week, and see how they apply to your personal finances. In future weeks, we'll talk in much more depth about each principle. What do you want to cover next week?

**James:** I'm fascinated with how Oseola multiplied her money. I want to be financially independent as quickly as possible. How can investments multiply my money so that I can retire in my 40's?

**Kramer:** Is that okay with everyone else?

(Nods all around.)

**Hmmm...**

- *What facts from the "Personal Finances in America" sheet bother you the most? Why?*
- *Why do you think Americans struggle with their finances?*
- *How would your personal finances be different if you handled them more like Oseola?*
- *Are you living above or below your means? How could you begin living below your means and saving some money each week?*

- *What can you do this week to start handling your money better?*

### **Assignment**

This week, ask your parents to tell you what they know about investments. Go on the Internet and read some basic articles on stocks and mutual funds. You'll need to bring your calculators. What I'll tell you is so extraordinary that you won't believe it unless you see the numbers yourselves.

One more thing! I have a riddle for you to solve:

***To some I'm their greatest nightmare  
To others their greatest friend.  
Neither spirit nor flesh  
I'm not hard to comprehend.***

***I increase the wealth  
Of both paupers and kings,  
Rewarding the wise,  
Robbing fools of their dreams.***

***I work when you work  
Just as hard when you sleep.  
With me Buffett made billions  
If you sow, you can also reap.***

***I'm slow at the beginning  
'Till my power is unfurled.  
It's why bankers and investors say,  
"You're the eighth wonder of the world."***

### **Resource to Take You Deeper**

Read Oseola McCarty, *Simple Wisdom for Rich Living*, (Atlanta: Longstreet Press, 1996).