

# The Financial Freedom Equation:

Proven, Simple Strategies to Help You

Work Less

Earn More

and

Love Life

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## 11 Simple, Proven Strategies For Freeing Yourself From Financial Woe

{Trust me...I did them!}

What does freedom mean to me? Freedom means waking up every morning and getting to choose how I will spend my time that day. Freedom means being fully present in the moment so that I can show up as my best self.

### **Freedom means choice.**

At the root of true freedom lies financial freedom. My belief is that if you can free yourself up financially, then you can truly show up as the spectacular human being you are *meant* to be. You can be a fully present parent, lover, friend, husband, wife, business owner, artist, and agent of change. If your brain, spirit, and creativity are clouded with worry about how to pay the rent or pay for your children's education, how can you even think about making the world a better place?

Now maybe you're reading this and thinking to yourself, yeah, of course I want to make the world a better place, but I'm just one itty bitty little person who doesn't have any real power or talents that could make that much of a difference. Well I'm here to tell you that you actually can make a huge difference, even as one human being amongst 8 billion on the planet.

You see, what I know to be true is that each of us showing up fully in life as our best selves inherently makes the world a better place. When a mother pays full attention to her child and gives her the acknowledgment she so craves it imprints a sense of: "I'm okay. I'm valuable," in the child. That child's self-esteem soars, and she may then go on to write inspiring films about women that change the lives of thousands of people all over the world.

Or, imagine a visionary founder of a company valuing each and every one of his employees and taking the time to discover each of their true strengths and passions so that they can not only be happier at work, but so that the productivity of the company improves. He listens to them. He jokes with them. He invests energy in truly knowing them. And his company thrives and improves people's lives.

Neither of these people launched global campaigns to end world hunger or cure debilitating disease. But because they are free to spend their time the way they choose to, they can show up, change the lives of the people around them in seemingly small but nevertheless hugely significant ways, and thus make the world a better place.

**You can't get hungry enough to help the starving. You can't get miserable enough to make the miserable happy.**

There's a belief out there that's not often directly articulated, but is pervasive nonetheless, and it goes something like this: if someone else on the planet is suffering it is wrong for me to enjoy

my life. If someone is hungry I should feel guilty about the food I'm eating. If someone is heartbroken, it's not okay for me to enjoy being in love. The truth is, though, that no amount of me feeling sad, guilty, angry, depressed, or hungry will help those who are suffering. What I know to be true is that we are far better poised to serve when we're replete with energy, resources, and love.

I'm sure you've had the experience of a friend reaching out for support when you yourself are emotionally drained. Perhaps she's going through a breakup and you just lost your job. It's harder to be fully present to soothe her broken heart when yours is already feeling a little achy. As much as you want to be there for her, you just can't fully show up because you're stressed and distracted.

It's now several years later. You've created a business online that sells products you love whether you're working or not. Everything is trucking along quite nicely, you've paid off all your debt, your income from your business is exceeding your living expenses with enough extra to invest, save, and give, and you've created a system that's working for you. Your mother, who lives alone, breaks her leg. Thankfully, you adore spending time with your mom, and are delighted to fly to her home and help her out for a couple of weeks while she recuperates. You guys rent movies, make yummy meals together, and have an all-together awesome time. Because you've got yourself squared away financially, you're free to not only help out the woman who gave you life in a time of need, but to also have a darn good time doing it. Your presence with your mother in service and joy makes the world a better place, and your financial freedom is fueling it.

So if you know that financial freedom is the surprising route to making the world a better place, then how do you create financial freedom?

### **The Exact Equation for Creating Financial Freedom**

I lead workshops around the country called Women & Wealth, in which I teach the inner and outer work around money to create true wealth, which I define as ultimate freedom and choice. The equation for creating financial freedom is to have your passive and/or residual income exceed your living expenses. Passive or residual income is income that you work for once and then get paid for over and over. Some ways to create this include writing a book, recording or producing a Platinum-selling album, creating an information product that's sold online, or setting up a business system that works for you whether or not you're physically present.

*(Note: Don't forget that the second side of the equation is to figure out how much it costs for you to live on a monthly basis. I challenge you to take the next 30 days and write down everything you spend. Then you'll know how much passive/residual income you need to create in order to be free. Very simple really. You can always choose to either increase your passive/residual income or decrease your expenses. Both of them are great paths to freedom. It's not about how much money you make. It's about how much freedom you have.)*

I started a [business](#) when I was eighteen as a freshman at Brown University. I built the business during my summer and Christmas vacations and was able to graduate in 2005 with enough residual income that I never had to take a job working for anyone else. I was free to make my own choices about how to spend my time from a really early age. During my twenties I've had the opportunity to travel the world, become a yoga instructor, take acting classes, dance, create lasting relationships, build a team of women entrepreneurs eight-hundred strong and growing, delve deeply into personal growth, start a speaking career, and enjoy the heck out of my life.

On January 25, 2011, I packed what little remained of my belongings after selling and giving most of my stuff away, picked up my white Prius, which I fondly call Zoe, and headed out on an indefinite road trip known as The Freedom Tour. I'm out to inspire as many people as possible to create financial freedom so that they can tap into their true purpose (which I promise you is NOT to work paycheck to paycheck and just barely cover the bills.) I figured out how to create financial freedom early in my life and I'm out to share my knowledge.

Some people will resonate with the idea of plugging into an existing system to create a business that pays them whether they're working or not, like I did. Some reading this will be inspired to create informational products like audios, e-books, and online courses to create residual income. Some may be really turned on by affiliate marketing and want to create an online presence that's a great resource and outlet for recommending other people's products and services for a small cut of the profits. And some folks have a bestselling book in them that will be their path to residual income.

### **Making Your Cash Cow Really Moo**

The reality is, once you've got your cash cow rolling (or your muse, as Tim Ferris calls it in [The 4-Hour Work Week](#)) then you're free. You're free to go see the world. You're free to do humanitarian work. You're free to love fully. You're free to create your Magnum Opus. You're free to pray, meditate, stand on your head, surf, dance, cook, garden, cultivate, learn, grow, give, and thrive. The foundation of financial freedom unlocks an energy and creativity that are not accessible when you're drained by financial worry and your hours are tied to dollars.

I've been studying financial literacy and freedom from an early age. When I witnessed my parents going through a divorce when I was sixteen, I saw my [mom](#) wake up one day, suddenly single for the first time basically since she was thirteen. She was fifty years old. She had written a New York Times bestselling book. She'd been on Oprah. She had a successful medical practice. She had an Ivy League degree. She had two mortgages to pay and two private college educations to fund. And yet she knew nothing about money. She was terrified.

At that time I vowed never to end up in her position. I had seen both my parents work their butts off to create the financial means to live a pretty great life. As physicians, though, their income was directly tied to their showing up physically to perform their craft. Yes, they were

highly paid, but it cost them in time. My dad missed Christmas a couple of times because he was on call. My mom practiced gynecology full time, writing her book at night and on the weekends, while juggling raising my sister and I and being a wife. They were well off and yet not at all free.

### **True Wealth = Time Freedom**

The truth is, wealth isn't comprised simply of your bank account balance, salary, or net worth. To me, wealth is truly measured in how much precious time you have to spend the way you want to spend it. How you spend that precious time doesn't matter a lick to me. Making the world a better place happens one free, fulfilled, happy person at a time.

So at this point you may be thinking to yourself, "Okay, Kate! I'm convinced! I get it. Creating financial freedom for myself is the key to making the world a better place. But how the heck do I do it?"

I've taken dozens of courses so you don't have to. I've exhausted the business, self-improvement, and personal finance sections of the bookstore to save you time and money. I've also been in the trenches building several online residual income businesses, as well as a more traditional service based business, for the past ten years. I hang primarily with entrepreneurs who highly value freedom. So I've got the goods and I'm psyched to share them with you.

Here's my distillation of the past 12 years of study, experience, and research in how to create financial freedom—and therefore make the world a better place:

### **1. Make a commitment.**

Decide that you're sick and tired of being frightened and out of control and you're willing to do something about it. When you commit to making a change and bringing awareness and growth to a certain area of your life, incredible things happen. Your decision and commitment alone will set off a chain reaction of serendipitous events in your world that would never have been possible had you not set that clear Intention to change your financial picture.

*"Until one is committed, there is hesitancy, the chance to draw back, always ineffectiveness. Concerning all acts of initiative (and creation), there is one elementary truth, the ignorance of which kills countless ideas and splendid plans: that the moment one definitely commits oneself, the providence moves too. A whole stream of events issues from the decision, raising in one's favor all manner of unforeseen incidents, meetings and material assistance, which no man could have dreamt would have come his way." ~Goethe*

Three years ago I had an audacious goal to reach a new level in my business with USANA Health Sciences, our [Team Northrup](#) product partner. The goal was to become a Gold Director, which is a very prestigious rank in the company. I had played with this goal, throwing it around with an overall lack of commitment for about two years. Then suddenly, in the spring of 2006, I got my rear in gear and I actually started telling people about my goal. I told my whole team and my friends and family. I marked the date I intended to achieve the goal by in my calendar with a lot of exclamation points and “I am a Gold Director!” in the present tense. It’s important to note here that I was no further along towards my goal at this point than I had been for the previous two years. There was nothing that had changed other than my clear intention. I had absolutely no idea how I was going to accomplish the goal, as my business wasn’t particularly close to the level it needed to be for this rank advancement.

Something incredible happened when I set the intention in a public, committed, serious way. I suddenly got a call from one of my team members telling me that she was going to be spending a month in New York City and she would be doing three presentations a week to grow her New York City team for the next four weeks. She had had no idea that I had just set the goal to be a Gold Director at the end of the exact four weeks that she was going to be in massive action doing presentations in a space three blocks from my apartment! All of a sudden I had someone to partner with and a great deal of energetic and logistical support as I built towards my goal—and all locally!

That was only one of the serendipitous events that ensued after I set a clear, strong intention to become a Gold Director. With the help of providence and serendipity, I ended up achieving my goal on the exact date I had written in my calendar.

### **TAKE A STEP:**

What is it that you desire to create? What commitment have you been avoiding that you know will make all the difference in your financial life? What strong, clear intention do you have around your finances?

Set your clear money intention/desire. Write it in the present tense here:

Now call a supportive friend to tell her your intention and ask her to hold the space for its easy completion by a certain date. I know—it’s totally scary. Do it anyway. You can thank me later.

## **2. Forgive yourself**

Finding ourselves, or anything about our lives (or anyone else’s, for that matter), wrong keeps us stuck. When you’re in disapproval there’s no way to be moving forward or enjoying the moment. After college I accumulated a significant amount of consumer debt due to vagueness

and lack of consciousness around my money. I had a great deal of shame around this, especially because my business is inspiring women to increase abundance in their lives. (We teach what we need to learn.)

Telling the truth about the total amount of the debt, to myself and, eventually, to others was freeing. But I was still stuck because I kept beating myself up about it, even after I moved past my denial. I felt like my credit card debt made me a bad person and less valuable as a leader, friend, daughter, girlfriend, and businesswoman. It wasn't until I was able to see my debt for what it was—a simple series of unconscious choices and a tendency to spend more than I made—that I began to actually get traction in paying it off. Instead of seeing myself as a bad person or being wrong, I renamed the debt “blessings I have already received,” and I forgave my younger self for overspending. I began to see the lessons that getting into debt held, not the least of which is being able to speak from a place of experience as I inspire others to gain greater clarity and awareness around their money.

I also began to see my credit card balances diminish each and every month until they eventually disappeared.

#### **TAKE A STEP:**

Fill in the statement below. Then write it out on several note cards and place them around your home, in your car, and in your office where you will see the statement several times a day so you can begin to change the story you're telling about yourself and your money.

I, (your name) \_\_\_\_\_, forgive myself for (the truth of your financial situation) \_\_\_\_\_. I acknowledge this truth about my current situation and I am willing and able to change my story in order to change the situation. I see that this situation is only temporary and is simply the result of my past choices, having nothing to do with my worth as a human being. I am grateful for the many blessings in this situation, one of which is \_\_\_\_\_

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I now set myself free from any blame, self-hatred, disapproval, or beating myself up that I have done in the past around this issue. I now move towards my new financial reality intention with grace, wisdom, joy, and love. I am grateful to myself and my current reality for creating the perfect lessons and opportunities for the next chapter of my money journey.

### **3. Acknowledge what you have (gratitude, find the ways you're abundant now)**

One of the easiest and most immediate ways to get out of a cycle of worry about money is to acknowledge all of the ways your life is abundant right now. Chances are pretty good that you have a home to live in and food to eat. Those are great places to start your acknowledgement of the riches that you have in your life.



Often we get so caught up in disapproval and disappointment about how our life has turned out that we forget to notice all of the ways that our life is amazing. An attitude of gratitude automatically puts us in a better mood, which in turn gives us more energy to actually take the action steps to create even more abundance. Also, when we're practicing being grateful for what we have, we are more apt to notice opportunities to bring more abundance into our lives because of our positive, open-minded state.

One of the ways to cultivate gratitude for the abundance you already have is to be vigilant about the words that you use. Decide to stop saying, "I can't afford that," or "I don't have enough money," and replace those phrases with, "I'm choosing to spend my money in other ways right now," or "Spending my money in this way is not in my highest purpose at this time." This puts you back in the driver's seat of your financial life and affirms that you have abundance and are choosing how to use it very wisely. This in turn attracts more abundance to you.

#### **TAKE A STEP:**

Make a list of five ways in which you have abundance right now (you have a home to live in, food in the refrigerator, a 401K, etc.) Start a practice of listing what you're grateful for before bed and when you wake up in the morning. Keep a gratitude journal by your bed and create a ritual out of acknowledging how amazing your life is right now exactly as it is.

#### **4. Do what you love.**

Pick a business or other way of creating residual and/or passive income that speaks to your soul and energizes you. Though I talk a lot about being able to fully show up for life and be true to your purpose once you've created financial freedom, I recommend you choose a vehicle that you're passionate about and believe in wholeheartedly. The last thing the world needs is someone else promoting something just to make a buck.

My belief is that it's possible to make money, do something you're passionate about, and make the world a better place simultaneously. Gone are the days of having to pay your dues and suffer most of your life so that you can have a few golden years of happiness at the end. I chose to partner with a company that makes high-grade health products that had a huge impact on my life and my family's life. It's something I believe in and I would share with people whether I made money doing it or not.

Though it's not always possible, I suggest aiming to select something as your freedom-building cash cow that you would do whether you were getting paid or not.

#### **TAKE ACTION:**

Make a list of things you absolutely love to do, things you could be seen as an expert in, things that you rock at. Be as creative and inclusive as possible. If you love to organize your sock drawer, put it down. If watching romantic comedies with girlfriends jazzes you up, make sure that goes on the list. Don't limit yourself to things that are obviously marketable skills. Think outside the box. Think big.

After you've made the exhaustive list of what turns you on, go back through and put a star next to the ones that you could see as the most obviously marketable or profitable. Put two stars next to the one or two ideas that get you the most excited thinking about them.

## 5. Choose a model that gives you leverage.

Leverage is the ability to make an impact that's greater than the total of your energy and time put together. For example, the Internet gives you leverage because you can be selling a product online whether you're sitting in an ocean-front room in the Maldives or writing the great American novel in a cabin in Vermont, it doesn't matter. You're leveraged. Another way to have leverage is to have employees who are working whether you're at the office or not. A final way to create leverage is to tap into a business that allows you to earn money from other people's efforts as well as your own, like becoming a real estate broker or building a network marketing business, as I've chosen to do.

### TAKE ACTION:

Go back to your list from the last step and underline the thing on there that you can immediately see a way to leverage yourself with.

## 6. Get cracking.

Building a stream, or ideally multiple streams, of passive and/or residual income for yourself is not for the faint of heart. The truth is that the freedom train is not for everyone. It takes work. It takes dedication. It takes emotional and creative fuel. But if you've read this far, you're one of the few who has what it takes. Now all you've got to do is get down to business.

### TAKE ACTION:

Look at the items from the list that you double-starred because you see them as obviously marketable and they energize you. Then look at the things that are underlined because you see a way to leverage yourself with them. They may not be the same items, and that's okay. I've seen loads of very cool, very profitable businesses spring up from combining seemingly unrelated or unmarketable pieces.

My good friend [Marie Forleo](#) loves to teach, loves to hang with women entrepreneurs, and loves to dance. Thus was born Rich, Happy, and Hot, a brand for women entrepreneurs to learn how to have it all. Marie figured out how to combine her loves in one super-profitable business that fuels her soul, her bank account, and her freedom. (She even figured out a way to incorporate dancing. Love that!) She happens to be making the world a better place through her cash cow. Nice work if you can get it, and I guarantee you can.

Another friend, Lissa Rankin, is a mom, an OB/GYN, a coach, an artist, a writer, and a wife. Holy potential schizophrenia! At first it might seem that these disparate passions and roles couldn't possibly fit together into one cohesive piece. But Lissa figured out how to be all her, all the time, and has created [Owning Pink](#), a business about getting your mojo on.

My friend [Chris Guillebeau](#) is a non-conformist, which he defines as someone who thinks for himself. He loves to travel and has an audacious, big goal to visit every country in the world by his thirty-fifth birthday. With just over forty countries to go at the age of thirty-two, he's well on his way. Chris could have thought to himself, "Well, I can't get paid to travel. Instead, travel costs money. I don't want to be a travel writer and I'm not going to be some sort of travel personality on TV, so I guess I'll just give up my passion and work in a cubicle until I retire. Then, when I'm sixty-five, maybe I can take a trip or two." But he didn't. Instead, he created a small army of remarkable people who think for themselves. And he created products and services that not only support his small army; they also are a cash cow so that Chris can travel the world and pursue his big goal. And all the while he's financially free and making the world a better place. Hot damn!

Richard Branson, British entrepreneur best known for his Virgin Group that comprises over 400 different companies, has made billions of dollars with his various enterprises. Do you think he needs to work anymore in order to pay for his living expenses? Not a chance. Since he has systems in place that crank along whether he's at the office or not, Sir Branson can spend his time and energy on projects that make the world a better place. One of his many humanitarian projects is called the [Branson School of Entrepreneurship](#). Its goal is to improve economic growth in South Africa by helping start-ups with mentorship, networking, financial support, and business skills. Branson has parlayed his financial freedom into initiatives that are making a serious difference on the planet.

Let these examples, who are only four among thousands, inspire you. You may have a burning, audacious vision that you're so pumped to free yourself up financially in order to pursue that you can't even sleep at night. If so, rock on! Or you might not know what your purpose is yet, but you know you value freedom highly and you know that you've got some big stuff to do—you're just not sure what it is yet. You might be like me and want to get the financial freedom piece taken care of before you have kids so you can raise an amazing family and be a really present mom. There's nothing wrong with you if financial freedom is the main goal right now and there's no huge altruistic vision on the other side. I guarantee, when you get there, when your passive and/or residual income is greater than your living expenses and you can choose to

spend your time exactly as you want, you'll come up with something genius. And the world will thank you for it.

## 7. Get support.

The next step is to gather support. Start looking for examples of people who have lives that look something like what you want. Take them out to lunch and find out how they got there. (Note: When you've reached true financial freedom and are in the give-back portion of the program, you're most likely willing to be of service to other people. Please don't ask to pick anyone's brain. Simply ask them if you can take them to lunch and soak up some of their inspiration. The chance to help someone along, plus a free salad and iced tea, will most likely be reward enough for their time.)

If you can't find anyone in person in your own circle of influence, set the intention to meet a few financially free folks, and then get inspired by the people I've listed above and other online presences. Read books about creating financial freedom. Read stories of people who are doing what they love, making an incredible living, and making the world a better place. (I've included a recommended reading list below. Begin to immerse yourself in stories of people who've made it happen. Just like when Roger Bannister became the first man to run the four-minute mile and suddenly, for the first time in history, people all over the world began being able to run a mile in under a minute, too, let other people's success be your permission to have it yourself.

*(Note: Be careful about telling people who are Negative Nancy's or Bobby Bummer's about your plan to create financial freedom for yourself in order to make the world a better place. They'll just rain on your parade and sidetrack your progress. Try not to hang around them too much, and if you're forced to because you live with them, are married to them, work with them, are related to them, or were given life by them, just keep your mission to yourself until it's fully formed and cranking along. In the early stages your freedom train is a small, tender shoot that needs protection and care. Keep it safe. Similarly, don't take advice from people who don't have what you want. Don't let your broke friends tell you how to invest. Don't let your single, lonely friends convince you they have the key to lasting love. Don't let your shackled friends tell you how you can or cannot create freedom for yourself. If they share, just nod, smile, and change the subject.)*

### **TAKE A STEP:**

Make a list of people in your life who you feel good around. Make a list of people in your life who you don't feel good around. Spend more time with the ones you feel good around and less time with the ones you don't. If you can't think of anyone who you spend time with that could be part of your abundance creation support system, make a list of places that the kinds of people you might like to spend time with would hang out. Commit to going to one of those places and talking to one person in the next week.

## 8. Start where you are.

It is so important to start where you are. You know what they say, Rome wasn't built in a day, the best way to eat an elephant is one bite at a time, and the longest journeys begin with a single step. (I don't know what the eating elephant thing is about. It sounds kind of gross to me but you get the point.)

I love the reminder that when you're driving at night you can only see about twenty feet on the road ahead of you in the glow of your headlights. And yet, despite the fact that you have really low visibility, you don't freak out about whether or not the road continues beyond twenty feet. You don't stress about suddenly ending up falling off a cliff or in the middle of the woods somewhere. You just trust that the road continues and you go along to your destination with about twenty feet visible at a time. That's really all we can handle at one time, anyway. Just take the next best action. Grab the low-hanging fruit. Take a bite and enjoy the juicy, ripe sweetness dribbling down your chin. The higher up stuff isn't ready to be eaten yet, anyway. If you try to reach it and take a bite, it will just be sour.

### TAKE A STEP:

Write a list of the five, low-hanging fruit, most obvious next-best steps toward creating your financial freedom-creating cash cow. Here are some examples to get your brain going:

- Contact a financially free friend (or someone who's creating that) and ask if you can take them to lunch
- Read [\*Rich Dad, Poor Dad\*](#)
- Visit Chris Guillebeau's site at [www.chrisguillebeau.com](http://www.chrisguillebeau.com) to learn more about non-conformist money-making

## 9. Just say "no" to vagueness. Clarity is power.

One of the most common problems that people have around their money is a lack of awareness of how much they spend, what they spend it on, how much they earn, and where it's all going. In my Women and Wealth seminars I teach about the equation for financial freedom (see more on this in the introduction and in strategy #11). The equation for financial freedom, or getting out of the rat race in which you're trading hours for dollars and living paycheck to paycheck, is to have your passive or residual income greater than or equal to your living expenses. And you know what? People think that the hardest part of that equation is going to be earning that much passive or residual income. In reality, for most people the hardest part is being honest with themselves about tracking their expenses and knowing how much they spend on a monthly basis.

Clarity is power. As soon as you commit to paying attention to your money, you will attract abundance in expected and unexpected ways. Energy flows where our attention goes, so the more consciousness you bring to your money, the more money you will attract to you. Money is simply energy and when you create a strong, safe container for it by tracking your expenses, tracking your earnings, and putting money away for savings, investing, and fun, more of it will come towards you.

One of our team members started tracking every penny she spent by writing it down in a notebook that she carried with her. Within two weeks she had already attracted an extra \$2,000 in income that was totally unexpected. Start by opening and reading all of your bank statements and investment reports, checking your bank account balance on a daily basis, and signing up for Mint.com, a free online service to help you keep track of your money. Trust me—what you focus on expands, so start giving your money some TLC by getting real and getting clear!

#### **TAKE A STEP:**

My monthly income is \_\_\_\_\_ (fill this in even if it's an estimate)

My monthly expenses are \_\_\_\_\_ (fill this in even if it's an estimate)

Start tracking everything you spend AND earn for the next 30 days (karma cookies if you track for a whole year, or forever!). Use a notebook, a free online service like mint.com or xpenser.com, Quicken, or a simple spreadsheet. Don't get stuck on what system to use . . . JUST DO IT!

## **10. It's not about the money.**

It's time for the second to last step. We're on the home stretch. Great job for making it this far. You are well on your way to financial freedom and abundant bliss!

Excuse me while I get a little "out there" for a second. The thing is that money doesn't exist. What?! Yeah, you read that correctly. Money does not exist. It's simply a system of value exchange that everyone on the planet has agreed to buy into. The fact that I hand someone a little plastic card and they let me walk out of Bloomingdale's with designer clothing is kind of insane when you think about it.

If you read any of the more metaphysical books on money, like Catherine Ponder's [\*The Dynamic Laws of Prosperity\*](#) or, the classic, [\*Think and Grow Rich\*](#) by Napoleon Hill, they talk about money simply being energy. In Florence Scovel Shinn's [\*The Game of Life and How to Play It\*](#), she calls money "divine, radiant substance."

Given that money really is simply energy and a way that we quantify what we value, when you start to dig into your “money stuff” you have to look beyond the balance in your checking account and your stock portfolio. Because of the energetic nature of money it tends to get intertwined with other things that can have a lot of emotional charge like love, feelings of self worth, self-esteem, power, relationships, and sex.

Strategy 10 reminds us that it’s really not about the money. Money is simply a way we show how much value we ascribe to something. Nothing more. Nothing less. If you don’t do the inner work around looking at why you consistently spend more than you make or why you are so terrified to figure out your monthly expenses, your financial picture is unlikely to change.

After I graduated from college I got myself into a lot of credit card debt. Despite trying to tackle it several times with spreadsheets, budgets, cutting up my credit cards, making promises to myself, and creating payment plans, it wasn’t until I discovered the root cause of my over spending that I was actually able to stop the behavior and begin to pay off my debt.

I realized that spending beyond my means, and ending up with a load of debt as a result, was a way of keeping myself small. Instead of viewing spending below my means as deprivation, which I had for a long time, I realized that it was a profound act of self-love. As soon as I got clear that overspending was a way of undervaluing myself and playing small, I was able to stop the behavior that had gotten me into debt. For the first time in five years my credit card balances began to diminish, and as a bonus, my income from both expected and unexpected sources increased!

#### **TAKE A STEP:**

Commit to reading Barbara Stanny’s [Overcoming Underearning](#) and doing the exercises in full, on paper. (I know it’s easier to just read the exercises in your head but I can tell you from experience that if you do it that way you will not get nearly the insights or results as if you do them full out, in writing.) Karma cookies if you buddy up with someone in your community of support and share the results of the exercises together.

### **11. Learn the truth about cash flow that no one ever told you.**

Congratulations! You made it all the way to the final step. You should be extremely proud of yourself. One of my favorite quotes is by Woody Allen who said: “80% of success is just showing up.” You’ve shown up in a big way by reading this far and this is a HUGE accomplishment. Nice work. Take a moment to thank yourself and give yourself the credit you deserve.

Reading Robert Kiyosaki’s [Rich Dad, Poor Dad](#) was a big wake-up call for my mom, Dr. Christiane Northrup. In his book he describes the Cashflow Quadrant.

He talks about how in order to get out of the “Rat Race”, or living paycheck to paycheck and trading hours for dollars, you need to begin to learn about earning money as an investor and business owner as opposed to someone who is and employee or self-employed.

The eleventh step for ending financial anxiety is beginning to think in a new way about cash flow. I achieved financial freedom at the age of twenty-four through implementing the concepts that Robert Kiyosaki teaches and creating residual income for myself.

Residual income is money that you work once for and then get paid over and over again. For example, when you write a book you do the work once but you get paid over and over again each time the book is sold.

Here are some other ways to create passive/residual income:

- create information products and sell them on your website (audios, e-courses, videos, e-books)
- make a Platinum selling album
- act in commercials, tv shows, and movies
- do voice over work
- sell a monthly membership to an online community
- buy real estate and rent it out for positive cash flow
- become an affiliate marketer
- buy a franchise business like McDonald’s
- start a network marketing business (also known as direct sales, relationship marketing, or word of mouth marketing)

Circle one of the ways to creative passive/residual income from the list above and write one action step below that you are going to take towards putting it into place in your life.

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CONGRATULATIONS! The fact that you even read all of the steps above is HUGE. Throw yourself a party. Get up, put on your favorite song, and shake your gorgeous booty in celebration. If you didn’t do the exercises, go back and do them after your dance break. I’m lazy just like you and I think I can get the same results from doing the exercises in my head. But guess what? I’m wrong, and so are you. **Paper and pen baby**. Get ‘em out. Write it down. Then throw yourself another dance party.

Happy abundance creating! I wish you sunshine, sparkles, adventures, and an open heart on your journey.



## Recommended Freedom Resources:

Rich, Happy, and HOT [www.marieforleo.com](http://www.marieforleo.com)

Danielle LaPorte's [The Spark Kit](#): From Meaning to Marketing, a Digital Program for Entrepreneurs

Chris Guillebeau's [Unconventional Guides](#)

Tim Ferris's book [The 4-Hour Work Week](#)

Robert Kiyosaki's book [Rich Dad, Poor Dad](#)

Barbara Stanny's book [Overcoming Underearning](#)

My [2012 Mentoring Program](#)