

THE BIG IDEAS

Delay Your Gratification

Pretty, please.

One Bite at a Time

That's how we roll.

Aiming at the Goal

You need a target.

Blueprints

What's yours?

Time to Get Gazelle-like

Turn up your intensity.

Time for a Plastectomy

Hands over scissors.

The Millionaire Next Door

Isn't worried about "looking" rich.

The Rose

And your potential.

Money Gives Power

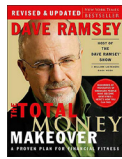
To good intentions.

It's Not Complicated

It's time to do it.

"It is really hard to sell books and DVDs that teach the necessity of lots of hard work, living on less than you make, getting out of debt, and living on a plan, but I'm trying because it's the only way that will work. Meanwhile, the sooner you understand that no one gets rich quick by using secret information, the better."

~ Dave Ramsey



The Total Money Makeover

A Proven Plan for Financial Fitness

BY DAVE RAMSEY · NELSON, THOMAS, INC. © 2007 · 272 PAGES

"The Big Challenge: Find a Mirror - I have a challenge for you. Are you ready to take on the guy or gal in your mirror? If you are, you are ready to win. I rediscovered God's and Grandma's simple way of handling money. Wealth building isn't rocket science, which is a good thing for me (and probably you). Winning at money is 80 percent behavior and 20 percent head knowledge. What to do isn't the problem; doing it is. Most of us know what to do, but we just don't do it. If I can control the guy in the mirror, I can be skinny and rich. We will let other books work on the skinny, and I will help you with the rich part. No, there are no secrets, and yes, this will be very hard. Hey, if it were easy, every moron walking would be wealthy."

~ Dave Ramsey from *The Total Money Makeover*

[Dave Ramsey's *Total Money Makeover*](#) is awesome.

If you're struggling with debt, I HIGHLY HIGHLY HIGHLY HIGHLY HIGHLY (!) recommend this book.

With a no-nonsense, super funny and equally smart style, Ramsey gives us a "A Proven Plan for Financial Success."

As is usually the case with personal finance books (check out our Notes on everything from [T. Harv Eker's *Secrets of the Millionaire Mind*](#) to [Robert Kiyosaki's *Rich Dad Poor Dad*](#)), I'm going to focus more on the awesome Big Ideas we can generalize to our lives (and start rockin' NOW) and leave the details of Ramsey's financial plan for the book.

Again, if you're struggling with debt, I really think you'll love this book. It's so important for us to take control of this aspect of our lives and I have no doubt you'll thank me if you take me up on my recommendation to go get the book and follow its goodness.

For now, let's enjoy a few of my favorite Big Ideas! :)

DELAY YOUR GRATIFICATION, YO

"It is human nature to want it and want it now; it is also a sign of immaturity. Being willing to delay pleasure for a greater result is a sign of maturity. However, our culture teaches us to live for the now. "I want it!" we scream, and we can get it if we are willing to go into debt. Debt is a means to obtain the "I want its" before we can afford them."

"It is human nature to want it and want it now; it is also a sign of immaturity."

Hah! Love that.

[Daniel Goleman](#) talks about this in his classic book *Emotional Intelligence* (see Notes) where he describes this study: "Just imagine you're four years old, and someone makes the following proposal: If you'll wait until after he runs an errand, you can have two marshmallows for a

"For your own good, for the good of your family and your future, grow a backbone. When something is wrong, stand up and say it is wrong, and don't back down."

~ Dave Ramsey

treat. If you can't wait until then, you can have only one—but you can have it right now. It is a challenge sure to try the soul of any four-year-old, a microcosm of the eternal battle between impulse and restraint, id and ego, desire and self-control, gratification and delay. Which of these choices a child makes is a telling test; it offers a quick reading not just of character, but of the trajectory that child will probably take through life."

Get this: Whether or not the child in that study was able to resist his impulse was "twice as powerful a predictor of what their SAT scores will be as is IQ at age four; IQ becomes a stronger predictor of SAT only after children learn to read."

You might want to read that again. And then one more time. Because, as Goleman tells us: "There is perhaps no psychological skill more fundamental than resisting impulse."

Whether we're talking about getting our finances strong or really crushing a creative project or entrepreneurial endeavor, it's ESSENTIAL that we learn how to resist our impulses to buy stupid stuff we don't need or distract ourselves with TV/ESPN/Facebook.

So get your impulses under control and get the two marshmallows, yo!!

P.S. The best part about this approach is that, not only will you get the two marshmallows at the end of the day, you'll also feel GREAT as you do what you know is the right thing. Ultimately, nothing feels as good as showing up fully, eh?!

ONE BITE AT A TIME

"To start the Baby Steps, we will work on one important step to the exclusion of others. Patience! We will climb the whole mountain, but not until we first have a strong base camp."

~ Dave Ramsey

"The way you eat an elephant is one bite at a time. Find something to do and do that with vigor until it is complete; then and only then do you move to the next step. If you try to do everything at once, you will fail. If you woke up this morning and realized you needed to lose 100 pounds, build your cardiovascular system, and tone your muscles, what would you do? If on the first day of your new plan you quit eating, run three miles, and lift all the weight you can lift with every muscle group, you will collapse."

Ramsey shares this story in the context of his strategy for getting out of debt—which involves something he calls "The Debt Snowball" and consists of tackling the smallest credit card balance you have and getting rid of it. Then going to the next smallest and getting rid of it, snowballing up to the point where you're debt free. It's good stuff. Check out the book for more details.

For now, let's focus on the fact that, no matter how geeked up you are about anything, it takes time to see results. As [Bill Harris](#) puts it in *Thresholds of the Mind* (see Notes): "No matter how gung-ho you are, no matter how eager you are to be in great shape, you don't run a marathon in the first week."

So, whether you're excited to get your finances in order or your body in shape, remember you've gotta start where you're at and take one step at a time!!!

P.S. Whenever I feel myself getting all impatient, I love to remember [Epictetus](#)' wisdom (see Notes on *The Enchiridion*): "No great thing is created suddenly, any more than a bunch of grapes or a fig. If you tell me that you desire a fig, I answer you that there must be time. Let it first blossom, then bear fruit, then ripen."

AIMING AT THE GOAL

"Aiming at the goal and nothing else is the only way to win. You have to know where you are going, and by definition know where you aren't going, or you will never get there. I fly a lot, and I never get on a plane and think to myself, I wonder where this plane is heading? I know where I want to go, and if I'm heading to New York, I stay off the plane heading to Detroit. When I get off the plane, I don't catch the first cab I see and say, "Why don't we just drive around a while because I don't have a plan." I tell them the hotel and street where I want to go. I then ask how

"You must walk to the beat of a different drummer, the same beat that the wealthy hear. If the beat sounds common or normal, evacuate the dance floor immediately. The goal is not to be normal because, as my radio listeners know by now, normal is broke."

~ Dave Ramsey

long that will take and what the fare will be. My point is that we don't wander aimlessly around in any other parts of our lives, but we seem to think that will work with money. You can't get ready, fire, and then aim with money, and you can't try to do six things at the same time. You are trying to get out of debt. Period. You will have to focus with great intensity to do it."

Brilliant.

Are you clear on what you want?

How 'bout some more goodness on this?

BLUEPRINTS

"You wouldn't build a house without a blueprint, so why do you spend your lifetime income of over \$2 million without a blueprint? Jesus said, "Which of you, intending to build a tower, does not sit down first and count the cost, whether he has enough to finish it . . ." (Luke 14:28 NKJV)."

Love that. Never knew Jesus was all about beginning with the end in mind and planning as well!

As [Stephen Covey](#) tells us in [The 7 Habits of Highly Effective People](#) (see Notes): "Begin with the end in mind" is based on the principle that all things are created twice. There's a mental or first creation, and a physical or second creation to all things."

[Robin Sharma](#) calls this "blueprinting" and describes it like this in his great book [The Monk Who Sold His Ferrari](#) (see Notes): "All I'm saying is that to liberate the potential of your mind, body and soul, you must first expand your imagination. You see, things are always created twice: first in the workshop of the mind and then, and only then, in reality. I call this process 'blueprinting' because anything you create in your outer world began as a simple blueprint in your inner world."

Everything is created twice—once in our mind and then in reality.

Do you have a vision for your finances? For your relationships? For your creative projects? For your life? How about a little less TV/Facebook/whatever this week and a little more blueprinting? :)

TIME TO GET GAZELLE-LIKE

"You must draw a line in the sand and say, "I will never borrow again.""

~ Dave Ramsey

"Around our office, the counselors can predict who will make it out of debt based on how "gazelle-intense" they are. If they are looking at a red line on the refrigerator door and yelling, they have a really good shot. However, if they are looking for a get-rich-quick scheme or some intellectual theory instead of sacrifice, hard work, and total focus, we give them a really low gazelle rating and a low probability of becoming debt-free."

Ramsey's a funny guy and he tells a great story about the intensity necessary to get debt-free and create wealth.

Imagine watching a show on Animal Planet. The cheetah is chasing the gazelle. Now, is that gazelle all mellow about it, kinda-sorta trying to get away from the cheetah? Or is the gazelle UBER-committed to getting away and living another day?

Right. It's all about it.

Ramsey calls that "gazelle-intense" and tells us we need that energy if we want to rock it.

Reminds me of [Joseph Campbell](#)'s story in [A Joseph Campbell Companion](#) (see Notes) where he tells us: "Sri Ramakrishna said, 'Do not seek illumination unless you seek it as a man whose hair is on fire seeks a pond.'"

Your hair on fire?

You gazelle-intense? :)

TIME FOR A PLASTECTOMY

"19% of the people who filed for bankruptcy in 2002 were college students."

~ Dave Ramsey

"So you must draw a line in the sand and say, "I will never borrow again." As soon as you make that statement, there will be a test. Trust me. Your transmission will go out. Your kid will need braces. It is almost as if God wants to see if you are really gazelle-intense. At this point, you are ready for a plastectomy—plastic surgery to cut up your credit cards. I'm often asked, "Dave, should I cut my cards up now or when I pay them off?" Cut them up NOW. A permanent change in your view of debt is your only chance."

Hah.

A "plastectomy." :)

If you're truly gazelle-like in getting out of debt hell and creating financial abundance in your life, it's an essential procedure.

* hands you scissors *

THE MILLIONAIRE NEXT DOOR

"Remember, if the Joneses (all the broke people) think you are cool, you are heading the wrong way. If they think you are crazy, you are probably on track."

~ Dave Ramsey

"Dr. Tom Stanley wrote a wonderful book in the '90s that you should read entitled *The Millionaire Next Door*. His book is a study of America's millionaires. Remember, if you want to be thin and muscular, you should study the habits of people who are thin and muscular. If you want to be rich, you should study the habits and value systems of the rich. In his study of millionaires, Stanley discovered that their habits and value systems were not what most people think. When we think of millionaires, we think of big houses, new cars, and really nice clothes. Stanley found that most millionaires don't have those things. He found the typical millionaire lives in a middle-class home, drives a two-year-old or older paid-for car, and buys blue jeans at Wal-Mart. In short, Stanley found that the typical millionaire found infinitely more motivation from the goal of financial security than from what friends and family thought. The need for approval and respect from others based on what they owned was virtually nonexistent."

We need to make a fundamental choice: Do we want to LOOK rich or do we want to BE rich?

Trying to impress people by showing off the latest bling, the fastest car and the biggest house is a good way to create poverty, not wealth.

So, let's pay a little more attention to the millionaires next door and get our priorities straight, mmmmk?

THE ROSE & YOUR POTENTIAL

"Systematic, consistent investing is the tortoise that beats the hare in the race. When you keep at it, the investing compounds and explodes. The following by Timothy Gallway always reminds me of this concept: When we plant a rose seed in the earth, we notice it is small, but we do not criticize it as "rootless and stemless." We treat it as a seed, giving it the water and nourishment required of a seed. When it first shoots up out of the earth, we don't condemn it as immature and underdeveloped; we do not criticize the buds for not being open when they appear. We stand in wonder at the process taking place, and give the plant the care it needs at each stage of its development. The rose is a rose from the time it is a seed to the time it dies. Within it, at all times, it contains its whole potential. It seems to be constantly in the process of change: Yet at each state, at each moment, it is perfectly all right as it is. A flower is not better when it blooms than when it is merely a bud; at each stage it is the same thing . . . a flower in the process of expressing its potential. The story of the rose is about human potential and about not being defined by what you do, but rather by who you are. Your Total Money Makeover and the

stage your investments are in are similar. Push with gazelle intensity to bloom, but know that as long as you take the progressive steps, you are winning. Ultimately, we are not defined by wealth; however, your Total Money Makeover will affect your wealth, as well as your emotions, relationships, and spiritual condition. This is a “Total” process.”

What a BEAUTIFUL image!

*“The lottery is a rip-off
instituted by our government.
This is not a moral position;
it is a mathematical,
statistical fact.”*

~ Dave Ramsey

Reminds me of [Vernon Howard](#)’s wisdom from [The Power of Your Supermind](#) (see Notes):
“Do not be impatient with your seemingly slow progress. Do not try to run faster than you presently can. If you are studying, reflecting and trying, you are making progress whether you are aware of it or not. A traveler walking the road in the darkness of night is still going forward. Someday, some way, everything will break open, like the natural unfolding of a rosebud.”

We’ve gotta honor where we’re at and remember that full, gazelle-intense effort is full success.

MONEY GIVES POWER TO GOOD INTENTIONS

“The Bible states that pure religion is actually helping the poor, not theorizing over why they are poor (see James 1:27). Margaret Thatcher said, “No one would remember the good Samaritan if he’d only had good intentions; he had money as well.” The good Samaritan had a good heart and a heavy enough purse to pay an innkeeper to help take care of the injured man. Money was involved. Money was at its best that day. Money gives power to good intentions. That’s why I’m unashamedly in favor of building wealth.”

We tend to glamorize poverty but the fact is it takes money to affect change in the world. As Ramsey so beautifully says: “Money gives power to good intentions.”

“But what about Gandhi and Mother Teresa?” you may say. Well, what about them? They had a LOT of money flowing through their organizations. Mother Teresa had the enormous wealth of the Catholic church plus individual donors supporting her mission. It was money that gave power to her good intentions. And a wealthy industrialist who supported Gandhi once said, “It costs me a fortune to keep Gandhi poor.” Again, it was money that gave power to Gandhi’s good intentions.

*“If you hate your career
path, change it.”*

~ Dave Ramsey

If you’re like me and have had ambivalence to money and how it fits into our “spiritual practice,” we’ve gotta master this domain. How about some more handy quote gems on the sacred power of money?

[Brent Kessel](#) says this in his great book [It’s Not About the Money](#) (see Notes): “At its best, investing is about being an active, contributing member of the human race. It is about providing our capital to other human beings so that they can live more productive lives.”

In [Secrets of the Millionaire Mind](#), [T. Harv Eker](#) puts it in his typically straight-forward way: “Let me put it bluntly: anyone who says that money isn’t important doesn’t have any! Rich people understand the importance of money and the place it has in our society. On the other hand, poor people validate their financial ineptitude by using irrelevant comparisons. They’ll argue, ‘Well, money isn’t as important as love.’ Now, is that comparison dumb or what? What’s more important, your arm or your leg? Maybe they’re both important.”

[Wallace D. Wattles](#) tells us this in his classic [The Science of Getting Rich](#) (see Notes): “Get rich, that is the best way you can help the poor.”

And, he adds: “You can render to God and humanity no greater service than to make the most of yourself.” ... “Whatever may be said in praise of poverty, the fact remains that it is not possible to live a really complete or successful life unless one is rich. No man can rise to his greatest possible height in talent or soul development unless he has plenty of money; for to unfold the soul and to develop talent he must have many things to use, and he cannot have

these things unless he has money to buy them with.”

And, back to Ramsey, who echoes Wattles telling us: “If you are a good person, it is your spiritual duty to possess riches for the good of mankind.”

IT'S NOT COMPLICATED

“One of my pastors says that living right is not complicated; it may be difficult, but it is not complicated. Living right financially is the same way—it is not complicated; it may be difficult, but it is not complicated.”

This isn't *that* complicated. In fact, NONE of the stuff we talk about in these Notes ever is.

The challenge, of course, is to go from KNOWING something to actually DOING something.

In [Spiritual Liberation](#) (see Notes), [Michael Beckwith](#) tells us that theory is rudimentary spirituality while PRACTICE is the advanced stuff as he reminds us: “To agree with the keys described here is one thing, to practice them is another. To read and study and have conversations about spiritual practices is good, but unless you incorporate them into your life, you won't embody or integrate them—which means you aren't receiving their benefits. Ask yourself, ‘How can I now move from theory into practice?’ If you merely collect spiritual information without practicing it, all you will develop is a case of spiritual indigestion and constipation.”

Let's avoid spiritual and financial constipation and start LIVING the stuff we know to be true!!! Starting now.

Here's to gazelle-like intensity to rockin' it, my friend.

B

Brian Johnson,
Chief Philosopher

If you liked this Note,
you'll probably like...

[Spiritual Economics](#)

[The Science of Getting Rich](#)

[Secrets of the Millionaire Mind](#)

[Rich Dad, Poor Dad](#)

About the Author of “The Total Money Makeover”

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Dave Ramsey conducts financial workshops through Lampo, Inc., and is the host of a popular nationally syndicated radio talk show. He holds a degree in finance from the University of Tennessee. Learn more at: www.DaveRamsey.com

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Brian Johnson loves helping people optimize their lives as he studies, embodies and teaches the fundamentals of optimal living—integrating ancient wisdom + modern science + common sense + virtue + mastery + fun. Learn more and optimize your life at brianjohnson.me.