

[The 7 Deadly Sins of Financial Freedom – Part 7](#)

[0:00:12] ST: Welcome Nation to the financial rock star show. I'm your host Scott Alan Turner, ready to help you to get out of debt, save more money and retire early. In the studio with me is Producer Katie who is a fit mama who kills it at the gym. On the show today we'll be answering your questions about money, business and life. If you have a question you would like answered on the show, visit goaskscott.com.

We're on a series called the seven deadly sins of financial freedom. Yesterday in part six I talked about having a lack of patience can derail the best laid financial plans. You can win with money if you stay committed to winning with money. Please listen to that episode if you missed it.

Today, I'm going to be talking about what it was like for me living a life of complete selfishness and hoarding and what happened next, I was greedy, I saved this topic for last because not only of what I've learned from others but what I've experienced in my life through giving. Both in my time through volunteering and through my finances to various charities over the years.

When I was at a low point in my life without friends, doing nothing but working all the time, I made a decision. I was going to stop making my life all about me and my time and my money. I told my business partners, "Hey, I'm going to be volunteering every Friday morning and I won't be available." That was great. I made a decision to give away 10% of every dollar I made, I was 30 years old at the time. I had never given a dime to anyone or anything up until that point in my life.

But I committed to making a change and that's when I started seeing greater and greater things happening in my life. Over time, I had more friends, I had more relationships, I met my now wife and my finances skyrocketed. I went from my monthly take home income of \$2,500 to becoming a millionaire five years later. It started with giving and not expecting anything in return.

I don't tell you this to impress you. I share my story to impress upon you that it works and I'm not alone in this. There is nothing special about me or my results. Hey, if you don't believe me that this works, you only have to try it for yourself and you have to give it more than 24 hours or 24 days. I've known people who have said, "Oh I tried that, nothing happened." It's because they didn't try it for long enough or they were expecting something in return. It's only when you fully give without expecting anything in return that you will get back 10 fold what you put in somewhere down the line.

If you're always giving and trying to get at the same time or with a plan of hoping to get something back, you'll never fully experience the benefits of giving. If you ask a volunteer, "Why do you volunteer?" The chances are, they're going to tell you, they get more out of the experience in helping others than those that they're helping.

I know it sounds a little mystical, a little hocus pocus. I can understand anyone who thinks that way, I used to as well. I was one of the most selfish people around that you could find. The opposite of greed is giving generously. Now some of you are thinking, "Well that's easy for you to say, you have money." Nation if there's anything I hope you've learned from me is I started in the exact same place as most of you. I have money because of the reasons that I now share with you on my website and through this podcast.

I realize that some of you don't have any money but giving is not limited to money. You can give your time, your skills, your energy. You can give your prayers if you are a spiritual person. When you read about successful people, there is a common thread that runs through their lives. Millionaires, deca millionaires, people will have 100, \$500 million dollars, billionaires, they're all generous in one way or the other. They are givers. If you want to be successful, give ruthlessly. Always strive to give much more than you expect to give back.

I hope you can sense I'm trying to give you a thousand percent every time I reach out to you. You're investing your time by listening to me or reading my articles and I'm trying to make sure I'm delivering the best I can. You are a valued member of my community, I don't take that for granted. I may not have ever met you and may not be there sitting next to you right now but I assure you, if I were, I'd be trying to help you anyway I can or giving you an encouraging word.

You might think you need to wait until you make more money or until you have more time. Let me ask you this, how hard is it going to be for you to give away a \$100 dollars after you make a million dollars. You won't do it because you've been hoarding all along. Condition yourself to be a giver now by giving away part of what you earn if you can. I get it if you're in debt, if you're living a paycheck to paycheck, it's tough, I can understand that.

But you can give your time, you can spend 10 minutes a week on a forum encouraging others and sharing your knowledge. Believe me, people will appreciate a kind word. You might need a kind word yourself and I bet you appreciate it when you receive one right? If you've listened to me enough, you know I have bees, maybe I don't talk about my bees enough.

I started two hives earlier this year that should put out about 30 to 40 pounds of honey each year. Do you think I'm going to eat 40 pounds of honey every year by myself? No, there's no way! I have those hives so I can give it away. It's not money I'm giving away, it's not even a lot of my time but it's a hobby I get to share with others and to me that's the reward of the labor.

To take your life and your financial situation and your wealth to the next level and to the stratosphere, you have to be willing to start giving and when you start getting in the habit of giving, you want to give more because you're going to find, you start to get more. Find those situations where you can help out and contribute any way you can. Be willing to give and watch as you move from a life of not having enough to having a life of abundance.

Final thought. Aron Locker is a guy I interviewed in episode five and he tells a story about he was having a bad day at Starbucks. He decided he needed to change his attitude right there on the spot so he bought the guy in front of him a coffee. He paid for a coffee to a complete stranger. Instantly, his day changed because the stranger was so thankful. It doesn't take much to change your outlook on life if we're willing to give.

So let's look at how to give generously. Number one, volunteer your time. Two, share your knowledge about anything you're an expert in. People want to learn. Three, donate part of your income to reputable charities if you can afford it. Four, share a kind word with someone today and finally, be an encourager. When we give up ourselves, we get that much more. Hey I hope you enjoyed this series, drop me a note please and let me know your thoughts on it, I would appreciate your feedback. Now, on to your questions.

Joel wants to hire a company to repair his credit. He writes:

[0:08:27] J: "I have had a lot of credit card debt, missed payments and had a car repossessed. I'm now working my way out of debt and want to get my credit score up."

[0:08:35] ST: Okay, have you seen these ads on the internet and late night TV? You probably gotten a few emails, flyers in the mail, phone calls if you have had bad credit in the past. They say, "Credit problems? No problem!" Or, "We can remove bankruptcies, judgments, liens and bad loans may credit file forever. We can erase your bad credit a hundred percent guaranteed. Create new credit identity legally."

These jokers are praying on you in a difficult time in your life, they're scum. Their real goal is to get you to part with your money, not to help you out. According to the federal trade commission, they have never had a legitimate company making one of those claims. Here are the steps to improve your credit score the fastest way possible, the cheapest way possible and the easiest way possible. And it's all free, you do it all yourself.

If you have poor credit and you want to raise your score, the first thing you need to do is always pay your bills on time. Always, always, always. 35% of your credit score comes from paying your bills on time, there's nothing more important than this one. Don't forget it, setup auto pay in your accounts, mark it on your calendar, whatever you need to do, pay your bills on time.

Next is to pay down your balances, you want to have what's called a low credit utilization ratio. That's the amount you owe compared to the total max amount of credit you have available. You add up all your balances, add up all your credit limits,

you want to keep the balances at 30% or less of the limits. Finally once you pay off that credit cards, keep the cards open and don't close them. Lenders are looking for a long credit history in keeping the card open also helps keep your credit utilization ratio higher. You can improve your credit report legitimately but it takes time, a conscious effort and sticking to a personal debt repayment plan. Thanks Joel for the question.

Brandy and her husband want to move from their apartment to a home and her husband makes \$32,000 a year.

[0:10:44] Brandy: "I'm a stay at home mom with three kids, we just went through a chapter 13 bankruptcy, how can you work towards buying a house?"

[0:10:50] ST: So the chapter 13 is going to take about two years to get your credit cleaned up and give you an opportunity to get a conventional mortgage with a decent interest rate. If a lender says otherwise, you got to pay real close attention to the interest rate. There are subprime lenders out there that will loan you money but you don't want to be paying eight or 10% plus interest on a mortgage that is insane compared to the current rates.

There's a story in the LA times about a couple who had a foreclosure, they got a subprime mortgage rate of 10.9% plus they had to pay \$10,000 in upfront fees and a 35% down payment. Where do they get their down payment from? They raided their retirement accounts. Instead of waiting a couple of years, now they're going to be working a couple more years until they retire, that's garbage, stay away from the subprime loans.

Sometimes they're called bridge loans. The intent being to get you into a house at a really high cost and then refinance later, it is a total waste of your money. Just be patient, wait until you can get a good conventional loan at a reasonable interest rate. If you don't have patience and you jump into a new house, you are torpedoing your finances, you are torpedoing your future, you are torpedoing your retirement and you're doing it all in one shot, one torpedo, blowing it all up.

To repair your credit, you're going to need to pay your bills on time and don't borrow more money. No more loans, no more credit cards, no new cars with a car payment. Payments will help your credit, you don't need to borrow money or carry a balance to improve your credit, those are myths. Pay the rent on time, preferably through one of the rental payment services that are tied into the credit bureaus. How that works is you pay the payment service, the payment service pays your landlord, the payment service updates your credit report that you pay the bill on time.

It's a great way to build your credit if you don't have any or you're renting because paying rent doesn't show up on a credit report unless you use one of these special services. Never miss a payment though, that's going to ding your credit report and we don't want that. Another thing you guys need to start thinking about is what your career track is going to be. I'd like to see you making twice as much money as you are which you can do. \$32,000 in salary for a family of five, that's on the wind.

I don't say that to make you feel bad, I say that to encourage you to make you have some bigger goals in your life. You guys should be flourishing not just getting by. Your husband takes some more responsibilities at work so that they can get promoted, you might want to change companies or even careers. I'm not saying it's easy to leave a company but you guys need to make more money and there are a lot of ways to do that.

More education, picking up a part time job, starting a business — that's my favorite — but the first step is deciding where you want to get to and why? Reasons come first, answers come second. Five years from now you might want to be making \$75,000 a year as a combined income and how does that sound compared to the \$32,000 you currently have. I'm not saying it's all about money, I'm not saying it's all about the accumulation of wealth.

You can make a lot less and still thrive but you have to have some target to aim for and in this nation where you're at the size of a family you've got. You've got a little more buffer, if you've got a little more buffer, if you had a little more buffer, that would ease your mind. Now if you told me you're already making \$75,000 a year and you have the same situation, I would tell you the exact same thing, where are you going to be five years from now, 10 years, 20 years from now?

The people who have written goals for where they want to go are much more likely to achieve them. You need to have a plan, we all need to have a plan, I have a plan, it's written down, I look at it every day and I plan to do little things to make those goals become a reality. When the kids are off to kindergarten a couple of years, maybe that's the time for you Brandy to get out there and chase your dreams, just dream big.

You need to start saving for your emergency fund of 36 months expenses. With a single income and three kids, you must have that cushion in case of a job loss or a disability. The emergency fund is critical now while you're in an apartment. Once you have the emergency fund saved up, then you can start saving for the 20% down payment you'll need for a house. If the apartment is kind of tight right now, look at renting a house, have a lot more space and the rent would be probably be cheaper.

We moved in back to our house back in Atlanta in the same sized apartment would have been a couple, \$300 more per month. With a rental we got a huge yard. Now, I did have to mow the lawn but with kids like you've got, at least they can run around outside and play. With the bankruptcy on your credit history, it's going to be tougher to find a landlord willing to rent you a place. If you're a nice guy, you might be able to find a willing ear to hear your story, how you screwed up, how it's never going to happen again.

If you're dealing with a human who owns a few rental properties, you may get someone more sympathetic than the apartment place where your application is sent off to corporate and they never see your face. Offer to pay the first and the last month's rent in addition to security up front, that can help your cause. Thank you for the question. If you have any money related question you would like answered, please visit Goaskscott.com to get in touch with me. That website has my email address, Twitter and you can also leave me a voicemail. Please contact me, I am here to help you.

[BREAK]

Now when I was young, my dad saved his change for me, for my college education in this little metal box he put his change in. I came back home, every six months, eight months, nine months, whatever it was, we opened up the change bucket on the kitchen table and wrap a couple of pennies and it was fun, so fun going through — nowadays it's such a drag wrapping change. When you're a kid and you're wrapping money, yeah, that's fun. Wrap it all up, we got \$40 bucks or \$50 bucks.

If you have a change bucket, that's cool but if you don't we should go out and get one. Even if you don't have two nickels to put in it. I've got actually a few euros in mine and pounds and Swiss franks. I've got this star trek container which I don't remember what came in it, some type of candy I think, but I got a metal star trek container which I just throw my spare change in. Now this next tip comes in from my brother Terry. If you're on the cash budget which is awesome, it's great for getting out of debt and spending less.

Terry's recommendation is, he goes out and he'll use bigger bills to spend on stuff. When you're buying a pack of gum maybe, which is \$1.50, which is ridiculous for a gum but if you're going to do that anyways, he'll pay you for it with a \$5 bill and say give me all the money back in change. No one's just a bunch of quarters or five bucks for a \$1.79 coke Then you take all that change and get back home and you put it in your pocket.

If you get lots of change, you can get one of those five gallon water jugs like the huge ones, the blue ones or they make glass ones as well. Those can break so you got to watch out, go with the plastic ones preferably. That's going to hold like several hundred dollars' worth of change. It's easy to do, it's fun to save change if you got a film, you got kids, you're getting ready to add up all the money, that can be a family activity but easy way to save money, use bigger bills, get more change, throw out the bucket, save up for something fun.

Now, back to your questions. Doreen asks:

[0:18:33] D: "I'm trying to help my brother learn how to manage a budget without a checking account, do you have any good suggestions? He's not very good at managing money and he will be getting social security disability. I was thinking something like debit cards but I wanted to start with some kind of budget app and going to get him a cash card."

[0:18:50] ST: Now Doreen, you may or not remember had a previous question from another show, a prior show. Her scumbag family member who stole the identities of her deceased mother and her intellectually challenged brother. That's why he's getting disability from social security. For those of you who have debt problems and think you've got troubles, you haven't received some of the emails I get.

So my heart goes out to this family that have the additional challenges I have in special needs kids, siblings that require care or parents and grandparents that can no longer take care of themselves. That is a hard life. If you're in debt, at least you have an end game, there's date to aim for. You got your debt free date. Family is for life. I feel for these people. If you encounter them in your life, lift them up with a kind word.

Doreen, in your case, the simplest thing would be to use the envelope system, with the envelope system, requires less tracking. Go to the ATM once a month, fill each envelope with cash and it's easy to see what's left for the month and each of those spending categories. Debit cards are good but they still require you to go back and update something. Use cash when it makes sense for groceries or eating out. Things like rent and utilities, a check book would be fine but since you don't want a check book, a debit card, that's perfectly fine. Anything but a credit card.

On a fixed income, the last thing you want is a chance of any debt being taken on. Plus, if you have most of the money in cash, there is less of a chance of overspending with a debit card or even a cash card. With a card, you can go to the grocery store and load up on beers, steak, potato chips instead of paying the rent. With cash, you can still load up on beer, steak and potato chips but when the cash runs out, you go hungry but you still have the rent paid. For an easy budget, you can print out on one page the spending limits per category each month.

When he writes an electric bill, he can put that amount on the budget sheet. For anything cash related, the money's already in envelopes. There wouldn't be anything to record and there's nothing simpler than that. A step up from that would be a software solution or an excel spreadsheet. Someone isn't good with computers, those aren't really good option. Keep it simple, start with paper, stick it up on the fridge where it's easy to see. Thanks Doreen and good luck.

Medina wants to know:

[0:21:11] Medina: "How I can be successful in and a wealthy billionaire? With a B, billionaire."

[0:21:18] ST: Go big or go home right Medina? Forget the millionaires, they're a bunch of jokers, I want that billionaire status. Years ago I mentioned to a family member, "I could be a billionaire if I wanted to." They laughed at me as you are probably right now too. Some of you are snickering right now. "Yeah Turner, what do you know, you're full of yourself, you're full of it." Well riddle me this. Can you achieve great things? Can you achieve great things? Think on that a few seconds.

Can you achieve great things? It's a yes or no question. I intentionally didn't define what great things are because it's different for all of us. But could you do it if you chose to do it? I hope you answered yes because you can. Some of you are making a choice to get out of debt and that's a great thing. Some of you want to run your own business, be the boss, set your own hours, that's a great thing.

Some of you want to have a million dollars, nothing wrong with that. It will put you in an elite club of people that made wise choices. A billion dollars is just a million dollars with a few extra zeros. If that's your goal, why can't you do it? "Well you just can't, that's all." Well somebody else is going to do it and if that's your goal, it might as well be you. What do we say here, if you want to be a millionaire, do what millionaires do, if you want to be a billionaire, do what billionaires do.

What are some of the common traits among billionaires? Well they set short, medium and long term goals, just like you do if you're getting out of debt or trying to retire early. They hire people smarter than they are. They put their egos aside because they know that they don't know everything. They need those smart people to grow their ideas just like I recommend to you guys, go find people that are smarter than you and do what they did.

They surround themselves with likeminded individuals, they're very helpful because when you're helpful, people want to help you and they have a mindset to build wealth, they know they will do it, not that they can do it, that they will do it. A great book I would recommend is Think and Grow Rich by Napoleon Hill. It was written long ago but the principle still apply to this day. The author and viewed people such as Henry Ford, Andrew Carnage, Thomas Edison and Alexandra Graham bell. Smart group of guys.

The book is a great starting point for being successful in building wealth. The second book I recommend to people is How to Win Friends and Influence People. It's another classic business and life book. Thanks Medina and don't forget me when you're on the cover of Forbes or Fortune.

Okay, quick break, back in 30 seconds and I'll be answering more of your questions, you're listening to Scott Alan Turner.

[BREAK]

[0:24:26] ST: Hi folks, Scott Alan Turner here. Now folks, for those of you that are my long time listeners, you know I'm not one of those guys in the radio who promotes every product that shows up on their desk. You never going to hear me trying to get you back crochet needles because I don't sew, or recommending a pool cleaning service from someone that's never cleaned my pool. If I had a pool.

No, I have a name to uphold to you my rockstar listeners. If I were to recommend something to you, I would tell you about milk. It's delicious, it's nutritious, I have milk every day in the form of yogurt that I make myself from milk. If I'm feeling like a bowl of cheerios, I don't add water or soda, I add milk. Once a week I'll have a bowl of Ben and Jerry's ice cream with made with, you guessed it, cream, which is a form of milk.

Next time you're buying groceries and you had to checkout counter, when they ring up the milk, tell the Scott Alan Turner sent you and ask for a discount. If you see a black and white cow out in the field, stop by and give a little pat on the head and say, "Thanks for the milk buddy." Better not do that, you might be arrested for trespassing.

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[0:25:35] ST: Welcome back Nation. I got an email from someone about two seconds before I started hashing out what I was going to talk about next. And I love the phrase because I knew I could run with it, one of those gift emails. Sometimes I can hear a fragment of a song lyric and just go off on a total rant. What did the email say? "Head trash." Head trash. A simple term, it's another gift topic that fell in my lap. The garbage in our minds that clutter, no, literally trashes one of our greatest abilities to be creative and make smart choices.

How often do we make poor decisions because of our head trash? Probably every day, we're not perfect, right? I click the buy now button even though I don't need that. I got invited to drinks after work but I burned through my paycheck already. We've got \$50,000 in credit card debt so there's \$30 meal out doesn't matter anyway. It's been a bad day, we're getting take out for dinner. We did that the other day so I get it. Head trash says we're entitled to this purchase, we deserve it, we worked hard for it. I make the money in this house, that's head trash.

It's dangerous, it kills relationships, kills your finances, kills your very soul Ian ability to experience joy and happiness. We need a new mindset folks, clear out the head trash. Fill up your mind with the good stuff, you use to empower you. Those are the words. Thanks for Tom@motorhard.com for that email and I'd idea "Head trash."

Next time on the show I'll be chatting with Stephanie O'Connell. An actress and personal finance expert who is in New York City, one of the most expensive places in the world to live and she's doing it on a budget. Don't miss it. That's it for this episode, I'm your host, Scott Alan Turner, Rock star Katie is my producer, all the links mentioned on the show are available in the show notes at scottalanturner.com. Today's episode was powered by Ben and Jerry's ice cream. Thanks for listening.

[0:27:46] ANNOUNCER: You're not alone on your journey to live a financial rock star life. That's why we put together a free eBook just for you. Go to financialrockstar.club to receive your free guide on how to save \$1,000 in one week and start getting out of debt, saving more money and retiring early. See you next time.

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