

HOW TO AFFORD THE LIFE --- YOU WANT

*3 Simple Science-Backed Strategies to
Build Wealth and Avoid the Debt Traps
That Cost You*

Squawkfox.com

Kerry K. Taylor



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3 SIMPLE SCIENCE-BACKED STRATEGIES TO BUILD WEALTH AND AVOID THE DEBT TRAPS THAT COST YOU

How to use the Money Sheet:

1. Be sure to get the **latest version of Adobe Reader** for the bestest experience.
2. Print this out (or use a journal to save paper) and DO THE EXERCISES.
3. Listen to **How to Afford the Life You Want** audio course. Pause the audio when prompted to do the exercises.

If you could change *anything* in your financial life – reducing debt, better saving habits, less anxiety or stress, more financial wellbeing, or *really* achieving your goals – what would it be? If you answered SOME or ALL of these possibilities you're not alone.

The desire to increase financial wellness and change our behavior is near universal.

People from all generations, life stages, and backgrounds know that financial anxiety is real. We all feel it. You can change it!

When you're willing to face what's not working, you're on the path to financial success.

This Money Sheet guides you through three simple, scientifically proven, and powerful exercises to help you clarify your goals, build more resilient financial habits, and get results. People have already used these strategies to buy a home, become debt-free, save for school, and travel.

Your goals and dreams are all about you! It's your turn. Follow these strategies and your financial life can change. Promise.

STRATEGY #1: KNOW YOUR TRADE-OFF

One of the things I love about being a financial journalist is when I'm asked if buying something is "WORTH IT".

Maybe it's a \$900 winter coat, a \$30,000 car, or a new gadget. It's an interesting question because what most people are **really** asking is if something is a deal. But when we rate a purchase based on it being a deal or not, we miss the most important point when it comes to spending money.

You must measure a product's value in terms of opportunity cost.

Opportunity cost is what you miss out on when you choose one option over another. It's your trade-off. Your opportunity cost is the single most important thing you absolutely need to know if you're going to be successful with money. Because choosing your trade-offs in life will make or break you. Sure, we all make trade-offs in life, and every choice you make has a cost. But...

Few of us reflect on how our present choices can impact our future options. Money is all about opportunity cost.

This is your first strategy, my friend: *#1 Know Your Trade-offs*.

To do this, I'm going to give you my 30-second go-to exercise that curbs impulse spending, stops FOMO in its tracks, and brings more mindfulness to your money.

Opportunity Cost Exercise

Step 1: REFRAME YOUR OPTIONS

What are the alternatives to buying this thing? What's the trade-off?

- Can you make do with something you already own?
- Could you buy a less expensive item? Second-hand?
- Is this the best use for this money? (Debt repayment, save for a goal).
- Could you get a tax break if contributed to a retirement fund (RRSP, 401K)?
- Calculate how five years of compound interest could grow this money.

REFRAME YOUR OPTIONS

Bottom Line: *Your opportunity cost is different from your friends', so find YOUR personal trade-off and decide if paying for a product or service today is worth the lost future benefit.*

Step 2: REFLECT ON SPENDING

Remember how spending felt with your last few purchases. How did you feel when the money was gone?

- Is there a similar past spending decision you can revisit? How did it feel?
- Did you feel buyer's remorse?
- Did you get grumpy when the credit card bill arrived?
- Did you completely forget you ordered it? :)

REFLECT ON SPENDING

Bottom Line: Reflecting on past spending decisions can help you re-evaluate future spending because remembering how it feels to get the bill often stops FOMO or impulsive buying in its tracks.

Step 3: LIFE COST

How much of your life (your time) are you trading for this purchase?

- **Paycheck Earners:** How many hours do you have to work to buy it? (hours, days)

- **Freelance/Gig/Creator Economy:** Your income isn't always tied to time. Your earnings may be tied to creating a product or service. So consider how much of that product, or widget, or unit of work you need to produce to find your opportunity cost.

CALCULATE YOUR COST

***Bottom Line:** Knowing how much of your life you're trading to buy something is a HUGE eyeopener. This impactful insight can completely change how you view your money.*

Fantastic job! You made the connection with how your present spending decisions can impact your future options.

Now you're ready for the next step.

STRATEGY #2: FUND YOUR GOALS

Strategy two is all about the big things in life – your goals and your dreams. Maybe it's reducing debt, maybe you're saving for something big!

Accomplishing these financial milestones can increase financial wellness because you'll have greater clarity on your future direction, sleep better at night, and reduce stress. Plus, reaching your goals feels amazing.



In the audio course I explain (with a fun game) how we treat different sources of money differently with the mental accounting bias, and why we assign money to categories.

If you haven't listened yet, go right now and hear me out.

The results will blow your mind and will help you through Strategy 2 with greater clarity.

So let's start with making a list. What are your life goals – and not just your financial goals – 'cause I want you to dream big. What are you saving money for?

Some popular goals could be to buy a home or save for retirement. Shorter term goals are awesome too, like saving for a new bike.

| GOALS |
|----------|
| 1. _____ |
| 2. _____ |
| 3. _____ |
| 4. _____ |
| 5. _____ |

I really want you to write them down. Big or small, short term or long term. Because a goal that isn't written down is just a wish. Try to assign a timeline for achieving each goal.

We all have financial goals. But too many of us fail to make a plan for funding our goals. We don't set up our environment to make these goals a reality.

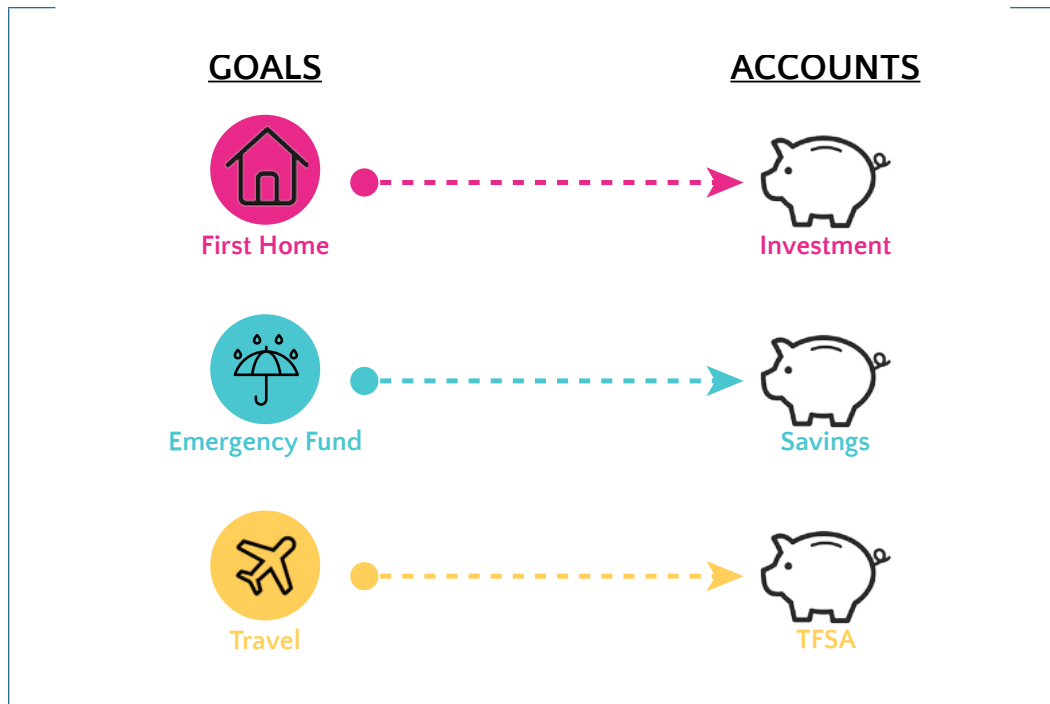
So let's change that. I want you to take a look at how you bank. What bank accounts (savings, checking, retirement) do you have? List them out.

| ACCOUNTS |
|----------|
| 1. _____ |
| 2. _____ |
| 3. _____ |
| 4. _____ |
| 5. _____ |

Now take some inspiration from your financial goals, the ones you've written down, and create a dedicated savings/checking/retirement account to earmark that money! And map each goal to a specific account. And so on.

Science shows that tying your financial goals to dedicated bank accounts can make saving money more exciting and successful.

Dedicate an Account to Each of Your Goals:



It could look something like this. It's up to you!

You're far more likely to achieve your dreams because you can see your success. In the audio course we hear from world-renowned behavioral economist Dan Ariely. He explains the science behind this savings strategy!

How to fund your goals using the science of Mental Accounting:

- List your goals.
- Dedicate each goal to a bank account.
- Target a date to achieve each goal.
- Automate your savings to fund each goal.

Yes, you must automate the transfer of money for each goal account – relying on self-control can be a losing game. You'll need to prioritize your savings too because we all have limited resources. But getting started today, with any amount of money, can get you closer to realizing your dreams sooner.

STRATEGY #3: CHANGE YOUR ENVIRONMENT! 'CAUSE WILLPOWER IS OVERRATED!

So far I've mentioned willpower and self-control a bit.



In the audio course I share an experiment I did on myself (and my family) with a piece of chocolate cake and a bowl of fruit. It's fun, so if you haven't listened yet – go right now and hear me out. You'll laugh, cause I'm a goof.

I used to think the people with the best money habits had amazing willpower.

But science shows otherwise, it turns out the best savers and most consistent investors often don't use willpower at all! They have a strategy that sets them up for success, and it costs nothing to get it done.

Successful savers remove shopping apps from their phones. They unsubscribe from retailer newsletters. They delete credit card info from shopping carts. And they automate savings.

These actions are simple, and have nothing to do with controlling impulses.

You can increase financial wellness and master money habits by changing your environment – both in your home and on your phone.

It all starts with a cue.

Obvious cues can draw your attention towards a good habit. Cues can also create bad habits.

It's enticing to spend when retailers email you daily deals. Over time willpower wanes, self-control depletes, and we spend. If you're beating yourself up about lack of willpower, stop doing that!

Our brains aren't wired that way. We're wired to respond to cues. So let's explore how to set up your environment to build better habits, and increase financial wellbeing!

FIVE Cue-tastic ways to build good habits:

Want to read more before bed?

Place a book on your nightstand and schedule some time for a nighttime routine.

Want to stop shopping online?

Remove your credit card details from retailer websites.

Want to walk more steps each day?

Place your running shoes at the front door so you can't miss seeing them.

Want to improve your study skills and reach your academic goals?

Put your phone in a locked box and give your roommate the key.

Want to save more money?

Automatically transfer a set amount of money each paycheck to a dedicated bank account.

To make a habit a big part of your life, you need to make the cue a big part of your environment.

To build better habits in every area of your life you must change your environment:

- Add a cue to make a good habit easier.
- Remove a cue to make a bad habit harder.
- Automate to put good decisions on repeat.

People with good financial habits put good choices on autopilot, so they don't have to use willpower to make better decisions. And while bad habits are hard to break, research shows you can succeed by removing whatever triggers those bad money habits and turn them into good ones.

SUBSCRIBE TO THE CASH AND KERRY PODCAST



Money isn't really about math, right? There's a lot more going on!

Join me and my amazing guests as we share the strategies to help you:

- Make wiser financial decisions
- Build better money habits
- Unlock the path to wealth, health, and happiness!

[!\[\]\(ec9132f1d27c8919987d92907322654d_img.jpg\) Subscribe to The Cash and Kerry Podcast](#)

With a hit of humor and a wealth of wisdom, we reveal the everyday money mistakes that make us human.

What people are saying:



Excellent Podcast!

Always enjoy Kerry's financial wisdom. She is a fantastic resource no matter what platform.

This podcast is A+.



Great Personal Finance Podcast

I really enjoy Kerry's fun personality and in depth knowledge of personal finance. She has some great guests. Check out her writing too!



Great advice unlike so many podcasts out there!

Finally a podcast with helpful advice backed up by evidence presented in an interesting & succinct way. So many podcasts are opinion-based but I'm looking for facts and you get that with this one!



Be smart sign up now

I have been following Kerry aka Squawkfox for a while now and I can share with you that if you want someone amazing in your corner pick her.

You now have the three science-backed strategies you need to afford the life you want – know your trade-offs, fund your goals, and change your environment. Your dreams matter. And now you've got the tools for a fresh start to make it happen.

You can join me on [Instagram](#), [Twitter](#), and [TikTok](#) too! I'm so happy we've connected and I can't wait to watch your financial dreams come true.

Love love love,