

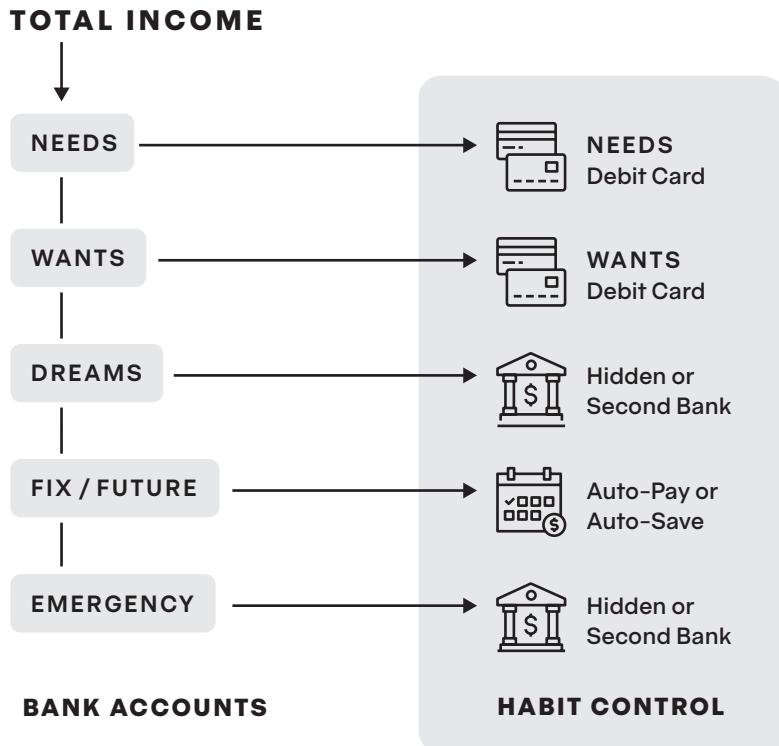
Chapter 1: You Have (Already) Won the Lottery

The Money Habit Formation

Amount × Frequency = Challenge	Habit Forming	Time to Goal
Small × Infrequent = Manageable but Inconsistent	Moderate	Slow
Large × Frequent = Overwhelming but Consistent	Low	Fast
Large × Infrequent = Overwhelming and Inconsistent	Very Low	Slowest
Small × Frequent = Manageable and Consistent	Very High	Fastest

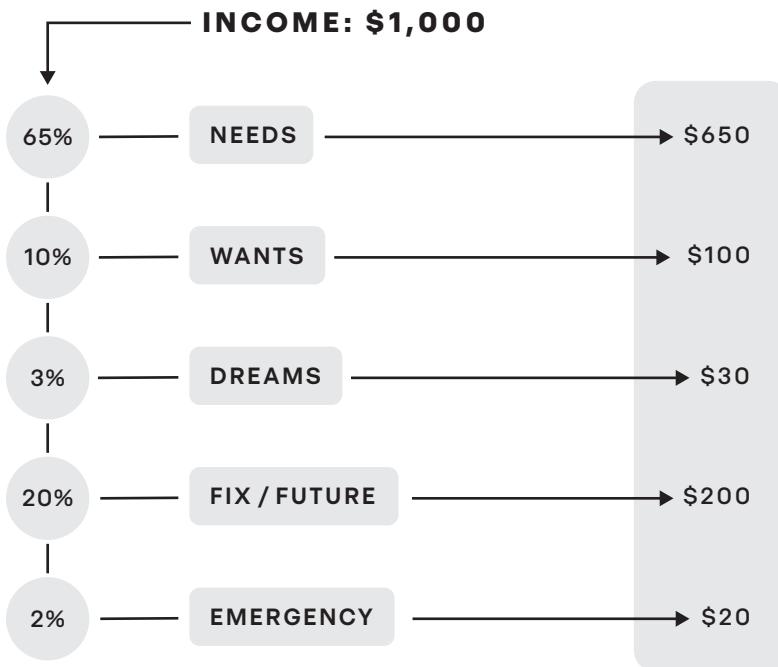
The Money Habit Formation Grid. Big deposits burn you out. Infrequent ones don't stick. But small, frequent allocations? They lock in the money habit fast. Your brain rewires with easy wins and rapid reps, and you hit goals faster than any other way.

Chapter 2: The Money Habit System



The Money Habit System. Rather than ask you to fight your existing habits, the Money Habit system channels them. Your total household income hits the INCOME account, then a percentage (or fixed dollar amount) flows into NEEDS, WANTS, DREAMS, FIX/FUTURE, and EMERGENCY to give you instant clarity on what money is for what purpose. Debit cards control daily spending in the NEEDS and WANTS accounts. Hard-to-access accounts, which are hidden or at a second bank, protect long-term funds. Automated payments knock down debt. Automated transfers build savings.

Chapter 2: The Money Habit System



Example of Money Habit allocations. A \$1,000 deposit lands in the INCOME account. On allocation day, funds flow out based on set percentages (or fixed amounts), so every dollar has a clear job before it's used. In this example, 65 percent (\$650) goes to NEEDS, 10 percent to WANTS, and so on. One glance at your accounts tells you what's available for what purpose.

Chapter 3: Align Your Money Target With Your Financial Season

TIER 1 INCOME: UP TO \$50,000

	Recover	Fund	Activate	Balance
Needs	80%	80%	80%	80%
Wants	1%	2%	12%	8%
Dreams	1%	5%	4%	5%
Fix/Future	15%	8%	2%	4%
Emergency	3%	5%	2%	3%

TIER 2 INCOME: \$50,001 TO \$150,000

	Recover	Fund	Activate	Balance
Needs	65%	65%	65%	65%
Wants	10%	12%	25%	19%
Dreams	3%	11%	5%	8%
Fix/Future	20%	7%	3%	4%
Emergency	2%	5%	2%	4%

Chapter 3: Align Your Money Target With Your Financial Season

TIER 3 INCOME: \$150,001 TO \$300,000

	Recover	Fund	Activate	Balance
Needs	50%	50%	50%	50%
Wants	18%	14%	36%	25%
Dreams	5%	18%	9%	14%
Fix/Future	22%	10%	3%	6%
Emergency	5%	8%	2%	5%

TIER 4 INCOME: \$300,001 TO \$500,000

	Recover	Fund	Activate	Balance
Needs	35%	35%	35%	35%
Wants	22%	25%	40%	31%
Dreams	8%	20%	15%	18%
Fix/Future	25%	12%	5%	10%
Emergency	10%	8%	5%	6%

TIER 5 INCOME: \$500,001 TO \$1,000,000

	Recover	Fund	Activate	Balance
Needs	25%	25%	25%	25%
Wants	27%	21%	49%	31%
Dreams	11%	27%	16%	24%
Fix/Future	21%	16%	5%	11%
Emergency	16%	11%	5%	9%

Chapter 3: Align Your Money Target With Your Financial Season

TIER 6 INCOME: \$1,000,001 AND UP

	Recover	Fund	Activate	Balance
Needs	20%	20%	20%	20%
Wants	30%	25%	65%	40%
Dreams	15%	30%	5%	22%
Fix/Future	20%	15%	5%	10%
Emergency	15%	10%	5%	8%

Chapter 4: Plot Your Course on Your Money Map

MONTHLY USABLE INCOME CALCULATOR

	Amount
Earners 1 annual take-home income	
Earners 2 annual take-home income	
Other annual take-home income	
Total annual usable income	
Divide by 12	= monthly usable income

Monthly Usable Income Calculator. Use this tool to total all sources of your annual household income. Then divide the total annual usable income by twelve to convert it to monthly income, making it easier to match the typical monthly rhythm of expenses.

MONTHLY USABLE INCOME CALCULATOR

	Amount
Earners 1 annual take-home income	\$68,000
Earners 2 annual take-home income	\$54,000
Other annual take-home income	\$0
Total annual usable income	\$122,000
Divide by 12	= monthly usable income
	\$10,167

Monthly Usable Income Calculator (Buck and Penny). This example shows Buck and Penny's combined annual take-home income. The total is divided by twelve to calculate their monthly usable income. Important note: This reflects net income, the amount deposited after taxes and deductions, not their gross or top-line income.

Chapter 4: Plot Your Course on Your Money Map

MONTHLY MONEY FLOW CALCULATOR

Description	Amount	Category
Monthly usable income	\$10,167	Income

Monthly Money Flow Calculator (Buck and Penny, Income). The first entry in the Monthly Money Flow Calculator is your monthly usable income, copied directly from the Monthly Usable Income Calculator.

Chapter 4: Plot Your Course on Your Money Map

MONTHLY MONEY FLOW CALCULATOR

Description	Amount	Category
Monthly usable income	\$10,167	Income
Rent	\$4,000	
Groceries	\$800	
Luxury car	\$1,500	
Gas	\$250	
Streaming subs	\$150	
Dining out	\$500	
New furniture	\$525	
Credit card bill	\$2,300	
Gifts	\$75	
Gym membership	\$450	
Vacation	\$500	
Clothing	\$250	

Monthly Money Flow Calculator (Buck and Penny, income and expenses). Each expense is itemized and assigned a monthly amount. Both fixed costs, such as rent, and estimated sporadic spending, such as gifts, are included. The wavy line at the bottom of the table signals that Buck and Penny may have additional expenses. When you fill out your own, make sure to include everything.

Chapter 4: Plot Your Course on Your Money Map

MONTHLY MONEY FLOW CALCULATOR

Description	Amount	Category
Monthly usable income	\$10,167	Income
Rent	\$4,000	Need
Groceries	\$800	Need
Luxury car	\$1,500	Dream
Gas	\$250	Need
Streaming subs	\$150	Want
Dining out	\$500	Want
New furniture	\$525	Dream
Credit card bill	\$2,300	Fix
Gifts	\$75	Want
Gym membership	\$450	Want
Vacation	\$500	Dream
Clothing	\$250	Need

Monthly Money Flow Calculator (Buck and Penny, categories complete). This chart shows Buck and Penny's monthly expenses sorted into the different Money Habit system categories.

Chapter 4: Plot Your Course on Your Money Map

THE MONEY MAP

	Monthly Total	Actual %	Target %	Adjust
Income	\$10,167	N/A		
Needs	\$5,300	52%		
Wants	\$1,175	12%		
Dreams	\$2,525	25%		
Fixes	\$2,300	23%		
Future	\$0	0%		
Emergency	\$0	0%		
Totals	\$11,300	112%		

The Money Map (Buck and Penny, first two columns complete). Transfer your Money Habit category totals from the Monthly Money Flow Calculator into the monthly total column here. Then insert each total's corresponding percentage of monthly income in the Actual % column. Add up all the category totals and percentages. Don't worry if, as with Buck and Penny's example, the percentages add up to more or less than 100 percent. That just indicates an opportunity for improvement.

Chapter 4: Plot Your Course on Your Money Map

TIER 2 INCOME: \$50,001 TO \$150,000

	Recover	Fund	Activate	Balance
Needs	65%	65%	65%	65%
Wants	10%	12%	25%	19%
Dreams	3%	11%	5%	8%
Fix/Future	20%	7%	3%	4%
Emergency	2%	5%	2%	4%

The Money Target Tier 2 (Buck and Penny's tier). As you saw in chapter 3, these are the percentage allocations organized by season for people whose household income puts them in Tier 2. Choose your percentages for The Money Map based on your tier and your season.

THE MONEY MAP

	Monthly Total	Actual %	Target %	Adjust
Income	\$10,167	N/A	N/A	
Needs	\$5,300	52%	65%	
Wants	\$1,175	12%	10%	
Dreams	\$2,525	25%	3%	
Fixes	\$2,300	23%	20%	
Future	\$0	0%	0%	
Emergency	\$0	0%	2%	
Totals	\$11,300	112%	100%	

The Money Map (Buck and Penny, three columns complete). Transfer your target percentages, based on your tier and season from The Money Target. Total target percentages must add up to 100 percent. If not, something was transposed incorrectly. Buck and Penny are in Tier 2, in the Recover season.

Chapter 4: Plot Your Course on Your Money Map

THE MONEY MAP

	Monthly Total	Actual %	Target %	Adjust
Income	\$10,167	N/A	N/A	
Needs	\$5,300	52%	65%	+13%
Wants	\$1,175	12%	10%	-2%
Dreams	\$2,525	25%	3%	-22%
Fixes	\$2,300	23%	20%	-3%
Future	\$0	0%	0%	0%
Emergency	\$0	0%	2%	+2%
Totals	\$11,300	112%	100%	-12%

The Money Map (Buck and Penny, completed chart). To calculate the Adjust percentages, subtract the Actual % from the Target %, noting the resulting positive or negative percentage.

Chapter 5: Gain Control with Clarity Accounts

THE POWER OF CLARITY ACCOUNTS

Account Number	Account Name	Balance
*2000	Income	\$0
*3001	N-Mortgage	\$3,575
*3002	W-Krista's Debit	\$800
*4001	W-Mike's Debit	\$35
*4002	W-Date Days	\$190
*4003	D-LBI House	\$38,000
*4004	F-Stock Market	\$18,000

The power of clarity accounts. Here's a peek at some of the accounts my wife and I use. This is how they show up when we log into our bank app. Personalized, purposeful, and crystal clear.

Chapter 5: Gain Control with Clarity Accounts

NEEDS VS. WANTS

Category	Needs	Wants
Food	Groceries, basic meals	Dining out, premium ingredients, coffee shop drinks
Housing	Rent, mortgage, utilities	Larger home, extra amenities, home decor upgrades
Transportation	Basic car, public transit	Newer car, rideshares, convenience upgrades
Clothing	Weather-appropriate basics	Designer brands, trendy items, accessories
Health	Insurance, essential care	Spa treatments, elective procedures
Entertainment	Free or low-cost activities	Streaming services, concerts, vacations

NEEDS VS. WANTS. NEEDS are the essential and necessities for living. WANTS are the small or big betterments, upgrades, or extras.

Chapter 5: Gain Control with Clarity Accounts

MIKE'S ACCOUNTS (TIER 2 INCOME)

Account	Deposits	Notes
Income	\$1,442	Weekly paycheck after taxes
N-Mortgage	\$400	Covers \$1,600 mortgage
N-Groceries	\$150	No dining out—strict grocery budget
N-Utilities	\$75	Bare necessities
W-Family Fun	\$25	Pizza night or a cheap movie rental
E-Emergency Fund	\$50	Protecting against emergencies
F-Retirement	\$50	Small, but building future security

Mike's accounts/Tier 2 income. This is a sampling of accounts I had during my Recover season. Note that F-Retirement is a clarity account under the FUTURE category. I was crushing debt (that account is not shown here), but I had a tax deferred investment account, through work, where it made financial sense to save for the future while prioritizing the fix of my past.

Important note: Since this table displays only a sample of my accounts, the percentages for each category may not perfectly align with the recommendations for the Recover season.

Chapter 5: Gain Control with Clarity Accounts

MIKE'S ACCOUNTS (TIER 3 INCOME)

Account	Deposits	Notes
Income	\$3,125	Weekly paycheck after taxes
N-Mortgage	\$1,100	Overpaying installments
N-Groceries	\$200	Room for healthier choices
W-Dining & Date Nights	\$150	Occasional nicer dinners
D-Family Vacation	\$100	Annual trip became possible
D-Kids' Education	\$150	Increased savings for college
F-Retirement	\$250	Building meaningful security

Sample of Mike's accounts/Tier 3 income. The example of my accounts during a FUND season shows an increased savings orientation, overpaying the mortgage to get it down faster and saving for future events. The increased income allowed us to boost grocery costs for healthier food and dates out for a healthier marriage.

Chapter 5: Gain Control with Clarity Accounts

MIKE'S ACCOUNTS (TODAY)

Account	Deposits	Notes
Income	Weekly	Fully allocated
N-Mortgage & Buffer	\$1,450	Extra principal plus security
N-Groceries & Health	\$400	Higher quality food and wellness
W-Krista's Debit	\$200	Krista's personal spending
W-Mike's Debit	\$75	My personal entertainment
W-Date Days	\$150	Consistent special experiences
D-Family Vacation	\$500	Larger or multiple family trips
D-Kids' Weddings	\$196	Now practical and doable
F-Investments	\$350	Significant weekly investment
N-Taxes	\$1,680	Necessary evil
N-Health Emergencies	\$250	Health emergencies

Sample of Mike's accounts today. As my wife and I shift into the Balance season, we are focusing on saving for dreams while spending on experiences we want to become treasured memories.

Chapter 6: Crush Your Debt

THE DEBT SNOWBALL METHOD

Debt Name	Balance	Interest Rate	Minimum Payment
Store credit card	\$500	10%	\$25
Medical bill	\$1,500	0%	\$50
Personal loan	\$3,500	0%	\$0
Furniture loan	\$8,000	15%	\$100
Credit Card	\$12,000	22%	\$450
Student Loan	\$35,000	5%	\$300

The debt snowball method (example). Rooted in B. F. Skinner's reinforcement theory and popularized by Dave Ramsey, this method tackles debt from smallest to largest balance. List all your debts, the interest rates, and minimum payments to get a clear picture of what can be tackled first. Sort your list from smallest to largest balance. Extra dollars go toward the smallest debt first, in this case, the \$500 store credit card, while minimum payments continue on the rest. The goal: Score quick wins and build momentum.

Chapter 6: Crush Your Debt

THE DEBT AVALANCHE METHOD

Debt Name	Balance	Interest Rate	Minimum Payment
Store credit card	\$500	10%	\$25
Medical bill	\$1,500	0%	\$50
Credit Card	\$12,000	22%	\$450
Furniture loan	\$8,000	15%	\$100
Personal loan	\$3,500	0% (high consequence)	\$0 (communication)
Student Loan	\$35,000	5%	\$300

The debt avalanche method. Once you have a few small wins under your belt, shift to tackling debts that have the highest consequences for nonpayment. Each crossed-out debt builds confidence. And by eliminating the most damaging debts first, you reduce your total debt load and emotional weight faster and more efficiently. That's why the personal loan, while interest-free, comes before the student loan. Because, for me, risking a friendship costs more than 5 percent interest ever will.

Chapter 7: Build a Better Financial Future Now

\$1/WEEK INVESTMENT

Number of Years	Investment Balance	Cash Stash Balance
5	\$2,060.06	\$1,825.00
20	\$12,185.28	\$7,300.00
30	\$24,265.84	\$10,950.00
50	\$74,925.82	\$18,250.00

\$20/WEEK INVESTMENT

Number of Years	Investment Balance	Cash Stash Balance
5	\$5,891.01	\$5,219.00
20	\$34,845.38	\$20,878.00
30	\$69,391.27	\$31,317.00
50	\$214,259.97	\$52,195.00

\$100/WEEK INVESTMENT

Number of Years	Investment Balance	Cash Stash Balance
5	\$29,425.63	\$26,000.00
20	\$174,052.84	\$104,000.00
30	\$346,609.75	\$156,000.00
50	\$1,070,229.62	\$260,000.00

Chapter 7: Build a Better Financial Future Now

\$500/WEEK INVESTMENT

Number of Years	Investment Balance	Cash Stash Balance
5	\$147,128.15	\$130,000.00
20	\$870,264.20	\$520,000.00
30	\$1,733,048.74	\$780,000.00
50	\$5,351,148.10	\$1,300,000.00

\$100,000 SAVINGS GOAL (FUNDING FREQUENCY)

	Daily	Weekly	Monthly
Within 5 years	\$48.65	\$341.51	\$1,479.86
Within 10 years	\$21.46	\$150.61	\$652.64
Within 25 years	\$5.73	\$40.22	\$174.28
Within 50 years	\$1.34	\$9.42	\$40.80

\$250,000 SAVINGS GOAL (FUNDING FREQUENCY)

	Daily	Weekly	Monthly
Within 5 years	\$121.63	\$853.76	\$3,699.64
Within 10 years	\$53.64	\$376.53	\$1,631.61
Within 25 years	\$14.32	\$100.55	\$435.71
Within 50 years	\$3.35	\$23.54	\$102.01

Chapter 7: Build a Better Financial Future Now

\$500,000 SAVINGS GOAL (FUNDING FREQUENCY)

	Daily	Weekly	Monthly
Within 5 years	\$234.26	\$1,707.53	\$7,399.29
Within 10 years	\$107.28	\$753.05	\$3,263.22
Within 25 years	\$28.65	\$201.10	\$871.42
Within 50 years	\$6.71	\$47.08	\$204.02

\$1 MILLION SAVINGS GOAL (FUNDING FREQUENCY)

	Daily	Weekly	Monthly
Within 5 years	\$486.53	\$3,415.06	\$14,798.58
Within 10 years	\$214.57	\$1,506.10	\$6,526.44
Within 25 years	\$57.30	\$402.19	\$1,742.84
Within 50 years	\$13.42	\$94.16	\$408.04

\$5 MILLION SAVINGS GOAL (FUNDING FREQUENCY)

	Daily	Weekly	Monthly
Within 5 years	\$2,432.64	\$17,075.28	\$73,992.89
Within 10 years	\$1,072.84	\$7,530.51	\$32,632.21
Within 25 years	\$286.49	\$2,010.97	\$8,714.20
Within 50 years	\$67.08	\$470.82	\$2,040.22

Chapter 7: Build a Better Financial Future Now

\$10 MILLION SAVINGS GOAL (FUNDING FREQUENCY)

	Daily	Weekly	Monthly
Within 5 years	\$4,865.29	\$34,150.57	\$147,985.79
Within 10 years	\$2,145.68	\$15,061.02	\$65,264.41
Within 25 years	\$572.99	\$4,021.94	\$17,428.40
Within 50 years	\$134.15	\$941.64	\$4,080.45

\$25 MILLION SAVINGS GOAL (FUNDING FREQUENCY)

	Daily	Weekly	Monthly
Within 5 years	\$12,163.22	\$85,376.42	\$369,964.47
Within 10 years	\$5,364.20	\$37,652.54	\$163,161.03
Within 25 years	\$1,432.47	\$10,054.85	\$43,571.01
Within 50 years	\$335.38	\$2,354.11	\$10,201.12

Savings goal. These tables show you the level of investments needed to reach various targets over different spans.

Chapter 7: Build a Better Financial Future Now

ANNUAL SAVINGS WITHDRAWAL GOAL

Desired Annual Income	Principal Required (Average Yield 4%)
\$25,000	\$625,000
\$50,000	\$1,250,000
\$75,000	\$1,875,000
\$100,000	\$2,500,000
\$250,000	\$6,250,000
\$500,000	\$12,500,000
\$1,000,000	\$25,000,000
\$5,000,000	\$125,000,000

Annual savings withdrawal goal. Determine your desired annual income and estimate how much you will need in savings to live off interest alone.