

COLIN PAROZ

HAPPY MONEY HAPPY LIFE



WWW.COLINPAROZ.COM

WELCOME



Hi, I'm Colin Paroz.

My mission is to help entrepreneurs and business owners to set and achieve outstanding personal, professional and business goals in the pursuit of creating a fulfilling and successful life.

Since 1991, I have worked with thousands of people to help them achieve success beyond their expectations.

My approach is pragmatic and outcome focused. I don't believe there is any point in telling you to "think positive" and "believe in yourself". My philosophy is that success comes from action and actions come from well thought out plans.

I believe that if you really want to achieve something worthwhile, it takes a good plan and then the commitment, skills and tools to execute your plan. I also believe that success can be achieved by making things simpler not more complicated and following

a clearly laid out plan. To do this, it is necessary to understand the situation as it really is, the future as it might be and once this is done, create a plan to get you from "here to there."

So, with that brief summary out of the way I would like to welcome you to the introduction and overview of the Happy Money Happy Life Program.

The purpose of this and the introduction section is to help you understand more about the Happy Money Happy Life Program and how you might benefit from it.

I've also included a real-life case study at the end of the question and answer section to give you an idea of how powerful the Happy Money Happy Life tools and techniques can be if you are prepared to put them into action.

Following on from the introduction there is an overview of the program and how it works.

I urge you to use the Happy Money Happy Life information and tools to change your financial situation and your life, you'll be glad you did.

I guarantee it.

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FAQ



Maybe the best way to get an understanding of my philosophy is to get some answers to some frequently asked questions. I'm sure this will help to better understand the approach of the Happy Money Happy Life Program and decide if it is something that can be useful for you. So here goes:

Am I too young or too old to take control of my financial destiny?

Your age is a number not a sentence. I do not believe that age is a reason or an excuse for anything. You have probably heard of Colonel Harland Sanders who franchised the Kentucky Fried Chicken chain. He was 65 years old when he started that process. Jessica Watson's single completed a solo circumnavigation at age 16. My own Dad started his first business at age 60.

To say that you are too old to take control of your financial destiny is then effectively giving up on the rest of your life. I believe you deserve better than that. Yes, it will take a little while to get back on track and get control but you deserve to have the best life possible.

It is never too early to learn and apply the secrets of wealth mastery. You

have probably heard of the power of compounding interest. Put simply, the longer you can invest and earn interest the more powerful the leverage of compounding interest will be.

Financial mastery leads to a more contented and rewarding life. Doesn't it make sense to live as much of your life as possible like this?

How can I achieve financial control if my income is not regular?

This is one of my favourite questions because this is exactly the circumstances that I have. By my own choosing, previously I have had no work income for periods of up to 3 months for travel and long-term projects. Because of the nature of my work I do not earn the same amount of money each month. It can vary by up to 50%.

Does this stop me from working to achieve financial mastery? Of course it doesn't. It just means that I must adapt my approach. I have to make sure that I balance my income and expenses over a longer period, in my case that's a year. Irregular income is no reason not to take control of your financial destiny, if anything it makes it even more important to make the commitment. In my book "Happy Money, Happy Life" I provide 5 strategies to manage irregular income and smooth the lumps out.

There are many, many self-employed people who manage to survive and thrive on an irregular income, it can be done, and I am sure you can do it with a little

knowledge and discipline.

What's the point of trying, every time I get ahead a bit something comes along and I'm back to where I started?

I hear this question often, I want to make a few points on this apparent. First, we all suffer setbacks. I don't suggest for a minute that getting control of your financial destiny is a walk in the park. If you are tested by an unexpected challenge, learn from it, recommit to your objective and move on. Don't use it as an excuse to give up.

The other point I want to make is that sometimes we can unconsciously self-sabotage our efforts. We may not even realise it, but we do things that can bring our best efforts undone.

Let me give you an example. Susan is in her early thirties and had 3 credit cards that were at their limit. For 6 months she had worked hard and diligently worked through the process of eliminating debt. She managed to pay off her first credit card. She was excited and proud of herself.

As a "reward" she took herself off to a beach resort for the weekend. At the end of her two days she found herself with a couple of new outfits and a bad case of indigestion from a steady diet of restaurant food. The other thing she had was a pile of debt on her recently paid off credit card.

We discussed what had happened, Susan felt quite ashamed of what she had done, but I reminded her that the future is important not the past. I believe that she learned a valuable lesson from this setback and is now back on track to taking control of her financial destiny. If you suffer a setback, acknowledge it, learn from it and move on.

What do I do if my partner doesn't want to take control of our financial destiny?

It can be tricky if you are ready to take control of your financial destiny and your spouse or partner wants to continue to live according to someone else's plan. In a perfect world, you would have discussed your joint approach to money and wealth creation as part of the process of making the commitment to each other.

I understand that we don't live in a perfect world. I also understand that you can only change you; it's not possible to change someone else if they are not ready to change, no matter how hard you try.

In the past, I have found that one way of getting a spouse or partner on board is to give them the why, and not the how. "Honey, wouldn't it be great if we weren't afraid of opening our credit card bills every month?" What if we could work together to find a way of getting a deposit together for that house we have dreamed about?" I believe that if the why is strong enough and compelling enough, then the how will follow.

As with all aspects of a relationship, it is important to remember that you are both on the same team. Until you can work together to take control of your financial destiny, then chances are that it won't happen. Talking rationally about where you are now and where you want to be could assist in getting agreement about the way forward.

Ignoring the problem or worse still arguing and blaming will just result in anger and resentment and more of the same. Calm, objective discussions and co-operatively working towards a common goal will give you your best chance at financial mastery.

Where can I get more advice on investing?

There are as many sources of financial advice. As you could care to imagine. As I discuss in my book, a lot of it is for the people giving the advice, not you. Many financial advisers want to sell you a product so they can make money. Many financial and investment publications want to please their advertisers, not you. You will hear unqualified and unsuccessful people loudly proclaiming the next sure fire investment, ask them how much of their money will they be investing.

In my experience the best place to get advice about investing is from people who are successful investors. This might be someone you know personally and can ask to mentor you. It might be someone in the public eye who has written books and articles that you can read. It might be interviews with successful investors. As I've mentioned in my articles, always multiply the advice by the source. I place a lot more importance on the thoughts of Warren Buffett than my next door neighbour when it comes to wealth creation.

One thing that you will almost certainly notice as you delve into the world of investment advice is that there is plenty of conflicting opinions. This is okay and can help you to understand the different approaches to the subject.

The important thing is to formulate your own opinion and don't just blindly follow the advice of your favourite "guru" or the weight of market opinion.

What can I do to accelerate my debt elimination?

Often, when someone gets started on the Happy Money Happy Life pathway they become highly motivated and even

more committed to debt elimination and financial mastery. My experience shows that the more time and effort a person(s) put into financial mastery, the faster and better the results. It makes sense really, more input, better output.

Always be on the lookout for debt elimination opportunities. Here are a few. Reduce the cost of your essential items such as food and electricity by sopping around. Here's a true story that happened to me recently. I got my insurance renewable for my house and contents.

It was a fair bit more than last year. I like the company I am with; they are large and reputable and gave me great service when I needed to make a claim a few years ago.

I went onto the internet and got a quote from a second, reputable company for exactly the same insurance. It was a few hundred dollars less than my current provider. I rang my insurer and told them of the second quote and asked if they could match it. They reduced my premium by \$250 on the spot. Yes, for 15 minutes work, I had increased my disposable income by \$250.

My secret of getting price reductions; ask for them! Another way that you can eliminate debt faster is to find lower interest finance. My book Happy Money Happy life has a list of over 50 practical tips to freeing up money to eliminate debt.

How could I approach someone I know to help me eliminate my debt?

The old proverb advises to ask and you will receive. I say ask intelligently, objectively, and often enough and you will probably receive. I also say if you don't ask, you don't get.

You might be surprised at how ready some people are to help you out if you are able to demonstrate that you're committed to financial mastery and that you can be trusted. Here are a few things to consider when approaching someone to help you.

First be very clear in what you are proposing. For example, you may ask a family member to loan you \$10,000 to eliminate a credit card debt.

You promise to repay them \$500 a month until the loan is repaid and also pay them 10% interest for the use of their money.

It is more than they would get for a bank deposit and less than you would pay for credit card debt. You have proposed a win/win arrangement. Next you must prove that you can be trusted.

Show how you will be able to afford the \$500 a month. Ideally you will show how you have been already setting at least this amount of money aside for debt elimination each month. If they agree, put the agreement in writing so you are both very clear about the arrangement.

A word of warning; if you do borrow money from someone, pay it back. If you don't, you will not only damage that relationship but also your own financial and personal reputation.

I can tell you as an inarguable fact that your reputation is one of your most important assets. You only have one and you have it for life.

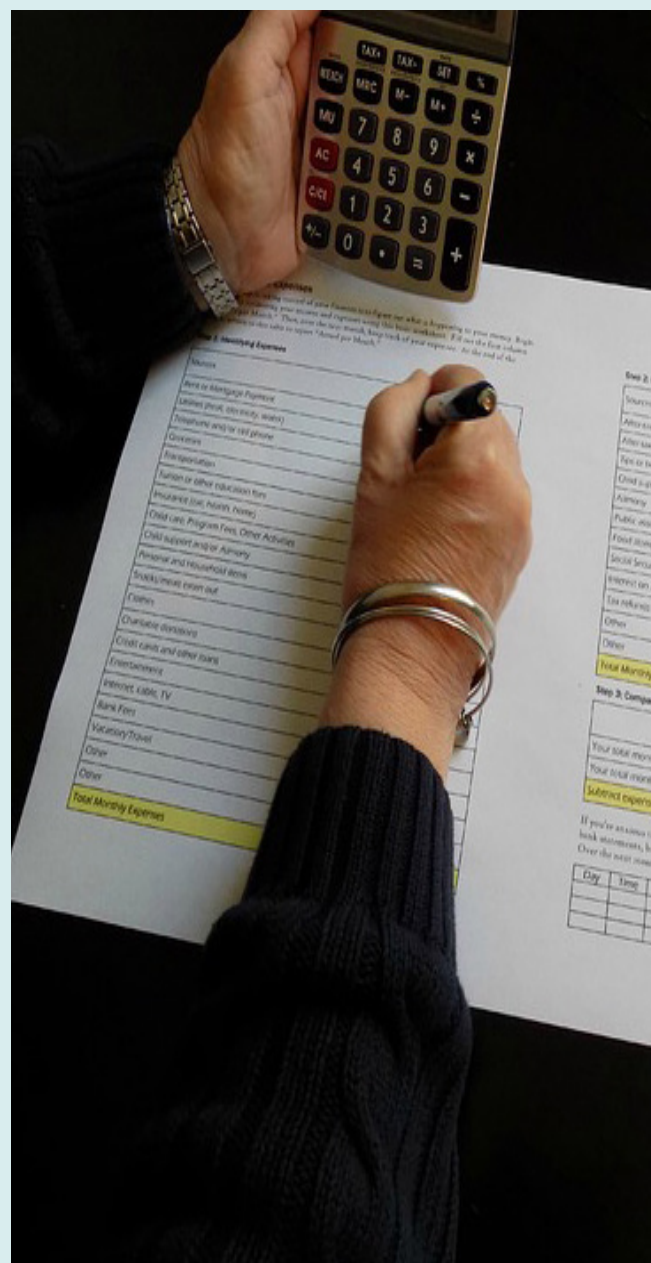
A Final Word

Thank you for reading the FAQ guide to the Happy Money, Happy Life Program. I hope that the information has been helpful

and will, in some small way, contribute to your financial mastery.

There is so much to learn about the subject, none of us can ever hope to fully understand it. At best we learn enough to make the best decisions we can about how we use the money we have and how we will live our life. Let me leave you with this thought.

If you are not living life to your plan, you are almost certainly living it to someone else's.



CASE STUDY

TAKING CONTROL OF YOUR FINANCIAL DESTINY



Pete was in his late twenties had a building trade and had spent the last eighteen months commuting to a very well-paid job in a remote mining camp. Pete was also extremely frustrated and confused. In the last two years he had earned enough to buy a small house in a regional area, but instead of owning that house and being on the way to financial independence, he was in debt to credit card companies to the tune of \$15,000. Pete's frustration and confusion was starting to turn into anger. He was angry with the tax system, angry with the boredom and isolation of his mine job and eventually, angry with himself.

Pete had fallen into common trap. With money in his pocket and no responsibility, he had a great life. Fishing trips with the mates, plenty of long, long sessions at his favourite bars and clubs. Then there was Pete's fascination with anything that had a motor.

At last count he had bought and sold (usually at a loss) 5 cars, three motor bikes, a ski boat and of all things a bobcat, because it was too cheap not to buy.

Pete started to miss shifts at the mine and then missed a full rotation. He knew he had to return to the city to work but couldn't work out how he could survive on a "normal" wage. When I first spoke with Pete, I explained the secret formula of wealth creation – spend less than you earn.

He thought that was a pretty stupid idea, after all, he was young and had plenty of time to settle down and earn money for what he called boring stuff. I finally convinced Pete to take stock and understand how much he owed, how much he needed to earn each month to have a sustainable lifestyle and what his options were.

Pete made some sensible decisions, he did return to the city, moved back in with his parents for a bit to pay off his debt as quickly as he could and is now working on a deposit for a house.

Pete's parents were so impressed with his commitment to financial control that they have set him a savings target and have agreed to help him buy his first property.

Pete's story could have been very different. Had he not made some sensible decisions he could have found himself in the same unpleasant circumstances in ten, twenty or even thirty years.

Could Pete's story be a lesson for you?

7 STEPS



I believe in process, I believe in being organised and work through things step by step. Why? Because it works and will give you the best shot at being successful. I have used these seven steps myself and it worked. I have helped other people to use these seven steps and it worked for them. You can learn these seven steps and it will work for you.

If you are truly serious about taking control of your financial destiny read on. If not that's okay too, just don't fool yourself that you will commit to something if you are not to going to give it your best shot.



1. Commit to Financial Mastery

Before you take the first action towards taking control of your financial destiny you must understand how committed you are to the process. We have a free tool that can help you work this out, more about this a little later. Once you understand your level of commitment you can make a decision to proceed or not. I can also help you to find the motivation to get committed.



2. Complete a Wealth Audit

The first action step once you have committed to personal financial control is to really understand your current financial position. This calls for courage and honesty. This is not a budget process. I recommend that you remove that word from your vocabulary right now. More damage has been done to people trying to wrestle with budgets than I care to think about.

A wealth audit is a written down list of your assets and liabilities, in other words what you own and what you owe. I can give you a free wealth audit tool to help you complete this process. I guarantee that this one simple step will get you headed in the right direction for personal control of your wealth destiny.

If you decide to accept my wealth audit tool I will also let you into a secret about the "wealth audits" that banks make you fill in when you apply for a loan or a credit card.



3. Complete the Cash-flow Quiz

A cash flow quiz will help you to understand where your money comes from and where it goes to. The reason to do this is so that you can take action to be in control you what happens to your money. My Book Happy Money, happy Life has a cash flow quiz contained in it. This will

assist you to quickly get an understanding of your cash flow. This section of my book also has 7 ways to beat credit card companies at their own game.

I can show you how not to give them one cent more than they are absolutely entitled to. I want you to be in control of your Cash-flow and your financial destiny, not the banks, not the credit card companies and definitely not the debt collectors.



4. Align Spending to Earning

The fact is to be financially independent and happy in our lives we need to spend according to our financial circumstances at any time. I'm not talking about the corny old stuff like take your lunch to work and drink instant coffee. I mean a real and sustainable approach to controlling your financial destiny.



5. Take Control of your Debt

Here's a frightening fact. The Australian population of around 22 million people has a credit card debt of \$45.5 billion. That's around \$20,000 for every man, woman and child. There are a lot of kids out there that haven't been lead into the credit card trap yet and there are some people that actually pay their credit card off every month, so there must be some huge credit card debts out there.

I think the figures would be similar in most other countries around the world. Chances are that you have your own little (or big) piece of this debt that the banks and other

financial institutions want you to have. If you take control of your debt, you take control of your financial destiny.

My book, Happy Money, Happy Life can show you how to escape the debt cycle. I will share with you some of the secrets that are used to get you into the credit card and loan trap. I will then tell you how to use these secrets to your own advantage. Anyone can get out of debt if they know how and are committed. I guarantee it!



6. Future Plan

In the early stages of your road to financial independence you will focus on getting back to positive ground. This is only a relatively short term phase. The real objective is to create a future where you can have what you want and do what you want. This is true control of your financial destiny. Planning to be wealthy is my favourite part of the process.

Who wouldn't love working out how to have that holiday you've dreamed of, or how to live in your dream hose, or my favourite, how to treat my family and I to some very special experiences together. Happy Money, Happy Life will give you all the information you need to plan for your dream future.

I'll also tell you why you should think twice about following some of the "expert advice" that you get from financial advisors, banks and even respected financial commentators. They probably don't want you to hear this, but I'm going to tell you anyway. I want you to take control of your financial destiny.



7. Live the Life of Financial Mastery

Stephen Covey, the author of “The 7 Habits of Highly Effective People” lists habit number 2 as “beginning with the end in mind”. I absolutely endorse that approach.

After all, don't we commit to taking control of our financial destiny, so we can live the life of financial mastery? Don't we learn the skills necessary to truly understand our situation and act upon to take charge?

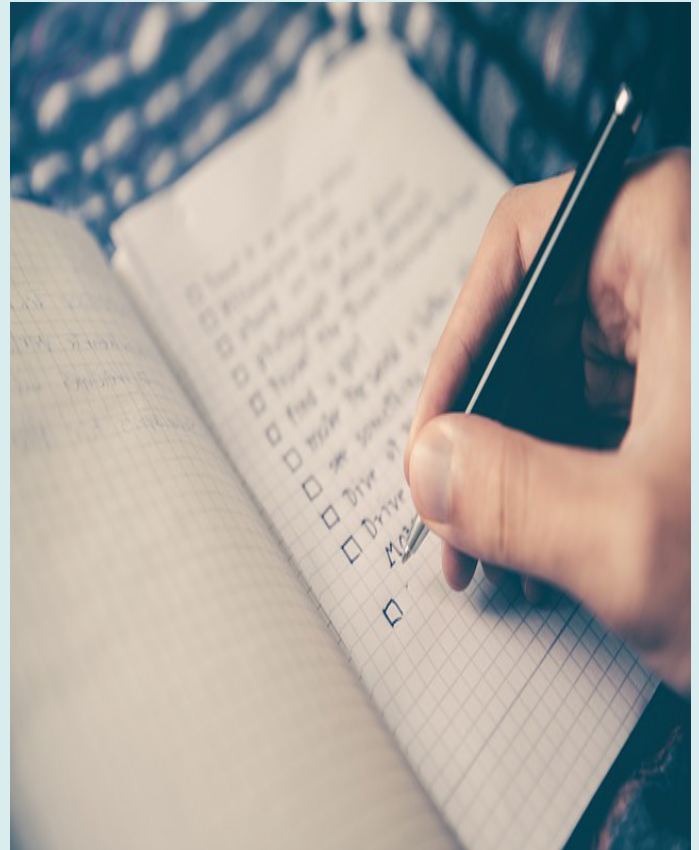
Happy Money, Happy Life will show you how to live that life of financial mastery, everyday for the rest of your life. I will share with you the pitfalls that are deliberately put in your way so that you can avoid them.

I will also share with you some little-known facts that let rich people get stuff for free or very cheaply that the average person never even dreams of.

If you are truly committed to controlling your financial destiny, and living a life of financial mastery and you follow these 7 steps you will succeed.

My book, Happy Money, Happy Life will give you the knowledge and tools that will unlock the hidden path to financial mastery and the content life that goes with it. I am committed to helping you control your financial destiny.

In the next sections I will provide you with a brief overview of each of the seven steps to achieve your happy money happy life.



STEP ONE

COMMITTING TO FINANCIAL MASTERY



Are you ready to take control of your financial destiny? Are you prepared to work towards financial independence? The freedom from the pain of debt and not be able to have the things you want for you and your family?

If you are ready to commit to my Happy Money Happy Life program and enjoy all the benefits and privileges that come with financial mastery.

Remember, we talked about the seven-step process to take control of your financial destiny?

Those steps were:

- Commit to Wealth Mastery**
- Complete a wealth audit**
- Complete the cash flow quiz**
- Align spending to earnings**
- Take control of your debt**
- Future plan**
- Live the life of financial mastery**

If you are truly serious about taking control of your financial destiny you must truly

commit to your goal and the process I have outlined. Before you take the first action towards taking control of your financial destiny you must understand how committed you are to the process.

If you are not sufficiently committed to achieving financial mastery, then I suggest that you go no further with this program. You will only become frustrated and finish up back where you started.

Only start and participate in this program if you are truly committed.

Why do I need to be committed?

You must commit to this program so that it becomes a part of your everyday life. Only if you place financial mastery above almost every other aspect of your life, can you take control.

It is virtually impossible to succeed at anything without some level of dedication and commitment. Sports stars don't become successful without the dedication and perseverance required to get to the top of their field.

The great news is that you have the power and control in your life to make the decision to change and take control of your finances.

If you don't then you can pretty well guarantee another day, another week and another year of the pain that you are feeling right now.

If you are ready to commit to financial mastery you and look forward to a bright future, filled with peace of mind, new found joy and happiness that come from financial taking control of your financial destiny.

Are You Ready to Take Control of your Financial Mastery?

To decide if you are truly ready to commit to taking control of your financial destiny you will need to test and understand your level of commitment.

You can use our Commitment Assessment tool (at the end of this article) to understand your level of commitment and decide if you are ready to take control of your financial destiny or if you are not yet prepared to start on the journey to financial independence.

Where to Now?

Before you can move to the next stage of taking control of your financial destiny you must complete the Commitment assessment tool to decide if you are ready to move forward.

Once you have completed this step and decided you want to change your life for the better you can move on to Step Two, Completing the Personal Financial Audit.

Well done on taking the time to consider Step One of the Happy Money Happy Life Program, I wish you every success in your quest for financial mastery so that you can take control of your financial destiny.

How to Use the Commitment Tool

On the following page you will find tools to help you assess your commitment.

Answer the questions by placing a tick in the appropriate box alongside the question.

Think about each question and answer it honestly and as the situation really is at the moment.

There is no point in fooling yourself by writing down answers that you would like to have.

Don't be embarrassed or ashamed of the results. Be honest, it is the only way forward.

What you are doing is the first critically important step to achieving financial mastery.



STEP ONE

COMMITMENT ASSESSMENT TOOL

For every time you answered every day give yourself 3 points,
every week 2 points and only occasionally 1 point.

Points _____

	Every day	Every Week	Only Occasionally
I often feel overwhelmed by my financial situation			
I dread opening the mail for fear of more bills			
I use my credit cards to buy stuff and gadgets that I don't really need			
I think about changing my financial position, whatever it takes but I don't know where to start			
I dream about financial independence and taking control of my financial destiny			
I am thinking about ways to get myself out of debt			

Answer the following questions by ticking the true or false box:
For every true answer score 3 points

Points: _____

	True	False
I spend more than \$500 per month on credit card, store card and personal loan interest		
I have one or more late fee payments each month		
I have used one credit card to pay another credit card bill		
I think that maybe something will just happen to give me financial independence		
I want to get out of debt but I don't know where to start		

Total Points: _____

Your Score:

25 or more – You appear to be on a place where you are truly ready to take a life changing decision. Go for it.

15 to 24 - You are moving towards committing to financial mastery. Think about the pain of not changing and what you will miss out on if you keep doing the same things.

14 or less -It's not your time yet or you are already working towards financial mastery.

STEP TWO

THE PERSONAL FINANCIAL AUDIT



How can you possibly fix your finances if you don't know exactly what state they're in?

The first essential step in gaining financial control is to understand in detail your current situation. This maybe a little painful, but not nearly as painful as continuing to live a life of frustration and fear. Once you complete this step you will immediately feel more in control. The knowledge you are about to unleash will give you the power to take control of your financial destiny. I guarantee it!

Remember in Step One we discussed the importance of commitment and worked through a number of questions to understand if you are truly committed to financial mastery. If you have made the decision to take control of your financial destiny I congratulate you. Now it's time to make your personal wealth mastery a reality.

Your first challenge is to complete a personal financial audit so that you can

understand the exact state of your current situation.

What is the Personal Financial audit?

The personal financial audit is a summary of your assets and liabilities, in other words what you owe and what you own. To complete this step, you will need a list of the amount of your outstanding debts and the value of your assets. By assets, I mean things you could sell.

I don't mean stuff that you have accumulated like clothes or furniture or electronic gadgets. Sure, when you fill out a bank application form for credit, they let you include these. Why? So they can lead you further and further into debt, after all that's what they want isn't it.

How can I benefit from the Personal financial audit?

You will immediately benefit from completing this step in three ways. First, you will be able to take pride in the fact that you are facing up to your situation and no longer avoiding the issue.

This is the first major turning point in taking control of your financial destiny.

Second, you will know exactly the state of your finances. It may not be as bad as you thought. If it is that's OK to, you now know where you stand and can take action. Third, now you have the information necessary to take control of your financial destiny.

How do I complete the Financial Audit?

First, take a piece of paper or an Excel spread sheet or visit our website and download our free tool.

Next list down your assets and value the realistically if you had to sell them quickly.

True assets are limited to real estate, stocks and bonds, precious metals such as gold and cash. Anything else is just material goods.

If you want, you can include your car or other vehicle in this list. If things are desperate enough, it could be turned into cash, although this is not a preferred strategy.

Next pull out those credit card statements, ring your financial institutions, if you have to and list down all of the money that you owe.

This may not be easy for you but trust me it is absolutely imperative that you do this, you will feel more in control once you have completed this task.

The final step is to deduct the liabilities or what you owe, from your assets, or what you own. The difference is your net worth. Chances are that this will be a negative number because you owe more than you own.

That's OK, at least now you know where you stand. The idea from here is to get back to zero as quickly as possible. Once you complete this audit you are almost certainly wondering how you finished up in this situation.

Well at one level the answer is simple. You spent more than you earned.

Step three, completing the cash-flow quiz will help you to understand your spending patterns and take control of them.

This will give you the freedom to spend money the way you want to rather than giving it to the banks as interest and late fees every month.

Thank you for taking the time to read this overview of step two of Happy Money Happy Life. I wish you financial mastery.



STEP THREE

THE CASH FLOW QUIZ



Remember in Step Two of Happy Money, Happy Life we discussed the financial wealth audit where we calculated our net worth and came to understand our current financial position. Obviously over time we want to grow this figure, so we have more funds available to meet our everyday needs, our long-term dreams and of course funds to invest so we don't have to rely on our labour (or personal exertion as it is sometimes called) for our income.

Another related and critically important piece of the personal wealth puzzle is our individual cash-flow. All that this means is understanding where our money comes from and where it goes. You may be surprised to learn that very few people take the time to work through this process, which is one reason that most people have less money than they want or need.

You might like to think of cash-flow and wealth like a bucket of water. Pouring into the bucket at the top is one or more hoses of different thickness filling the bucket

with water. This represents the size and number of your income streams. In the bottom of the bucket are several taps. One tap for essential things, one tap for non-essential things and a third tap which goes to investments and eventually adds more water into the top of the bucket. The amount of water in the bucket represents your net worth, or wealth. We'll talk more about the relationship between cash flow and net wealth later on in this article.

The cash flow quiz is simply a way to get to grips with our personal cash flow. In my book Happy Money happy life there is a detailed quiz which will lead you through the process and make it easier to capture the information. Our website also has a computer based tool which will be useful for people who are more comfortable with a keyboard than a pencil.

But I'm not here just to sell you stuff. I am committed to providing financial education to anyone smart enough to seek it out, I will explain the basics to you so that you can create your own cash-flow statement if you want to.

In broadest terms, the idea is determined by how much income from different places you have for a set period of time and how much money you want to spend and need to spend for the corresponding time period.

First, select a time period you will work with. If you get paid weekly then using

weeks is probably best. If you get paid by fortnightly or monthly then use a calendar month as a time period. Whatever time period you use, make sure all income and expenditure is calculated in this period. For example, if you pay an insurance bill once a year and you are calculating your cash flow in months, and then divide the total amount by 12.

The next step is to list down all of your regular income by source. This might include wages and salary, welfare payments and any investment income you may receive, for example rent from an investment property. Write down the total amount of income for the time period.

The third step is to list down all your expenditure. This may take a little more time and effort if you are not used to taking control of your money. List down your known necessary expenditure such as rent, fuel, phone, medical insurance, education, food and other groceries.

Then list down your repayments on credit cards and loans. Finally write down all other expenditure such as cigarettes, alcohol and entertainment. Total this up to arrive at your expenditure for the time period. Now compare this to your income. What do you learn from comparing the two figures?

What I am about to share with you now is the key to securing your financial destiny. It is not complex, but it is not well known. This fact is what makes the banks rich and stops you from taking control of your financial future.

There is a very good chance that if your net worth as calculated in your personal wealth audit (Step Two) is low, then your interest payments calculated in the cash flow quiz

(Step Three) are high. I want to explain the reason for this. If you have used credit cards or other forms of consumer finance such as personal loans and store cards, then you have effectively “rented” money from the credit provider.

You have spent their money today and until you pay back that money you will pay “rent” or interest on that money every day until you return it to them.

That of course suits the banks and other lenders, especially if they are charging you 15% or 20% and only paying a fraction of that to the people that they borrow the money from.

The other fact is that the money that you have borrowed may have been used to buy unnecessary items or to pay interest on existing loans. If you are spending more than you earn then each month you will have to find more money to pay the ever increasing interest bill, leaving less and less for the essentials.

Does this make sense to you? I will tell you now the secret of taking control of your financial destiny and achieving Happy Money Happy Life

Spend less than you earn. It is no more complicated than that. The challenge comes in having the discipline to know how much you are spending and how much you are earning and taking action to balance the equation.

In our next session we will learn more secrets of taking control of our financial destiny and look at Step Four – Aligning Spending with Earning.

STEP FOUR

ALIGNING SPENDING TO EARNING



In the previous step of our Happy Money Happy Life Program we came to understand our cash flow. If you have completed the cash flow quiz or manually worked out your cash flow you will have an understanding of where your money comes from and where it goes to each week or each month.

If you have reached this point, then you should congratulate yourself. You have completed the most difficult part of the process and you are well on the way to taking control of your financial destiny.

Remember we spoke about your personal wealth and cash flow being like a bucket with hoses of income filling the bucket from the top and taps at the bottom draining the water back out.

Well, what we need to do next is to change how much water comes in the top and how much goes out the bottom so that the amount that remains in the bucket is increasing not decreasing. This is what I mean by aligning spending with earning.

How this alignment can be achieved is a very individual thing because every one of us has a unique financial situation.

What I can do is give you some tips and advice on how to maximise income and minimise expenses so that you can take action to get your personal wealth bucket to hold more and more water.

First, let's consider your income. Work through the series of questions below. For each question list down any actions that you might take to help you take control of your financial destiny and maximise your income.

Can I get more income from my current employment? You may be able to achieve this through a promotion or upskilling or simply asking for a pay rise.

Am I getting all welfare payments I am legally entitled to?

Do I have things that I don't need and could sell for cash?

Could I take a second part time job to generate more income? Consider the tax implication of this tactic.

Next let's look at our expenditure in more detail. Remember in the cash flow quiz we examined our expenditure in three areas.

They are: Essential expenditure such as food, rent medical expenses and education, Non-essential expenditure such as entertainment and consumer goods, and Loan repayments, the enemy of your financial independence.

If you are serious about achieving true financial independence and taking control of your financial destiny then you must get serious about how you spend money. I will tell you now, a new flat screen TV is not essential expenditure.

Having the latest model mobile device is not more important than eliminating your consumer debt and a night at the club certainly doesn't rate above meeting your rent obligations. Don't get me wrong here, I'm not saying you should stay home and have a miserable life, quite the opposite in fact. What I am saying is live your life according to your income.

There is an old Australian saying about people who live beyond their means that they are living a champagne life on a beer budget. That may be okay short term, but remember if you spend more than you earn you are using someone else's money, you will still be paying for that money every day until you can return it in full to the lender.

Review your list of essential and non-essential expenditures. Is there anything on the essentials list that is not really essential? Examples of this might include cable subscriptions, mobile device plans, gym memberships and other non-essentials.

Once you have only truly essential items on this list next look at your interest and loans list. Can you reduce this amount? Can you consolidate loans to single lower interest rate? Can you use 0% balance transfer

offers to trim interest payments? Do you know someone who might enter into a private arrangement with you to loan you the money at a more favourable interest rate?

I will issue a word of warning at this point. Refinancing consumer debt is fraught with danger if you are not disciplined. Many people have fallen for the trap of taking on a new credit card or loan to reduce interest payments only to reuse the original card and finish up with even more debt, making the banks and credit institutions even happier. Unless you are 100% sure you will be disciplined about new debt do not do it.

You know how much you need every month to meet your essential expenditure and loan repayment requirements. You know how much you earn.

The difference is what you have left to spend as you like. This is known as disposable income. It is up to you how you spend this portion of your income.

You chose whether to spend it on short term pleasure activities and items such as social activities and consumer electronics and other stuff that will finish up in the bin or you can use it to take control of your financial destiny by reducing your debt and interest payments or investing for the future.

The choice is absolutely yours and yours alone, but remember, with choices comes consequences.

In summary, know what you earn, know how much you must have for the essentials and debt elimination. Make conscious decisions about how you will use what's left, the choice is yours.

STEP FIVE

TAKE CONTROL OF YOUR DEBT



In the last article we talked about aligning our expenditure to our income. Remember we explored the idea of income streams, essential expenditure and non-essential expenditure. We also covered debt and our need to get rid of consumer debt and free up that money for more productive uses.

I want to tell you a few things now about debt. Number one, debt is not necessarily a good thing or a bad thing. After all, if someone has a debt to you and is paying interest, isn't that a good thing? If you have some money deposited with a bank then they have a debt to you. They must pay you interest and return the money to you in accordance with the agreed terms.

Why is it that so many of us end up with piles of consumer debt? It's because large organisations with plenty of clout in the media want you to have piles of debt. That's how they make their money. That's why their executives get nice big juicy bonuses. Remember, debt itself is neither

good nor bad. If you go and spend a lot of money you don't have on stuff you don't really need and finish up with a credit card debt, then that's a bad thing for you. It's also a good thing for whoever lent you the money, probably at a ridiculous rate of interest.

The aim of the game here is to take control of your debt. That means getting rid of consumer debt and stop being someone else's income stream. Easier said than done? Yes but it is absolutely possible if you know how to do it and are committed.

First let's look at some of the ways you are encouraged into the credit trap. We all know about the free interest offers that are put out there by the major retailers. "Free interest" alright, until you are one day late with a payment. Read the small print and discover what the interest rate is then. Over the last few years we have been encouraged to "unlock the equity in our home" to buy things we don't need.

Advertising for personal loans for just about anything constantly bombard us. Why? Because the banks and other financial institutions need lots and lots of us to borrow money from them so they can make a profit and their executives can get their bonuses. Who hasn't got a great offer from our credit card provider to increase our limit?

Seems those offers turn up around the same time that we reach our limit.

No wonder we finish up with more debt than we can handle. The easy way is to give up and just keep handing over a slice of our pay-check every month. The more intelligent course of action is to make a stand and take control of your debt. Imagine the feeling of getting rid of your first piece of debt. I can tell you from personal experience, it feels damn good.

The process for eliminating debt is simple; sticking to it can be hard. Okay, here's the process.

Step One: Know exactly how much debt you have, it's interest rate and who is providing it.

Step Two: Take every cent you can find and pay off the debt, start with the most expensive credit, that is, the one with the highest interest rate.

Step Three: Don't stop until you have eliminated your credit debt.

There you go it's that simple. There are ways to accelerate the process such as getting low interest or no interest credit. This is often available for balance transfers. This is a tool used by the banks to lure you from the competition. There is a short low interest or no interest period. If you are disciplined, you will be able to take advantage of these offers. If you are not disciplined don't go near them or you'll just finish up with more debt. Good for the banks, bad for you. You might also be able to approach someone you know to obtain a "private arrangement" loan at a more favorable interest rate.

Whatever you do you have to allocate as much money as you can to eliminating your debt. The sooner you do that the sooner you will take control of your financial destiny. Allow me to share a

thought on seeing your commitment through. It is not easy, but it is doable. Getting started is the most difficult step. If you have ever lost a substantial amount of weight you will relate to this. The more you lose, the more you are motivated. Debt reduction is the same.

At first, nothing much seems to happen, but then after a while one debt is eliminated and then another and more and more money is freed up to get rid of the rest of your debt. I would also encourage you to give yourself small rewards for achieving your milestones. Maybe a night out or new clothes could be the thing. Remember though, every dollar that goes to eliminate your debt is a step closer to your financial mastery.

In summary, debt elimination is not difficult; just follow the three steps I outlined earlier. What is difficult is finding the discipline to stick to the process. If you can remain focused over time the financial and emotional rewards can be massive. Close your eyes and imagine a time when you do not have to handover a single cent as interest, a time when you are no longer someone else's income stream. How good would that feel?

If you are committed to taking control of your financial destiny then don't delay. Get started right now on Step One, go and list down your debts and make a commitment to do what it takes to eliminate them.

Debt elimination is only a step towards taking control of our financial destiny. Once we have done that we can concentrate on moving forward and having the life we dream of for ourselves and our loved ones. Our next article will focus on the future, and the excitement and fulfillment that it can hold for each one of us.

STEP SIX

FUTURE PLAN



In Step five of happy Money happy Life we focused on eliminating our consumer debt. The reason we do this is so we have more of our income to spend on us. We eliminate debt and stop giving our hard earned money to other people, we stop being someone else's income stream. Remember the secret to eliminating consumer debt is to divert every possible dollar to the task and don't stop until that debt is eliminated.

When you find yourself in that wonderful position of no longer losing your money to debt repayment, then you can get on with the rewarding and enjoyable task of providing for the future of your dreams. Do you wait until you have eliminated your debt before you start planning for this day? Of course you don't. Planning for the future should start today, now.

Before we talk about the how of future planning, I would like to share a few thoughts on the financial planning industry. I use to wondered why financial advisers seemed to be pretty biased

towards investment products that were based exclusively on the share market or some derivative of publicly listed stocks. I wondered why they didn't recommend gold or cash deposits or real estate ownership, after all I believe all of these investments are worthy of consideration when we are planning for our future. Then one day I realised why the financial advisers push these products. It's because that's how they put their dinner on the table. They get paid to recommend and sell you share based products. So just as a car salesman will only recommend their products, a financial adviser is highly unlikely to recommend something that they can't make money from. I'm not saying that financial advisers are bad people, just self interested.

Realising this: there is no one with more interest in and motivation for your financial success than you. It's up to you to get educated and take responsibility for your financial destiny. Giving your hard earned money to someone else and hoping for the best is risky at best and irresponsible at worst.

Planning for a future in which you are financial secure requires time and commitment on your part. It requires you to gain an understanding of investment types, their risks and their returns. You will also need to understand yourself in terms of how much risk you can live with. Some people are happy to invest directly in blue chip and speculative shares while others prefer the security of a bank deposit.

Whatever you invest in should have a number of basic features. These include security of your original investment, a fair return for the risk taken and a clear and acceptable exit strategy should you want to extract your funds.

Future planning for taking control of your financial destiny is all about creating income streams. Some people refer to passive income streams or making money while you sleep. I don't quite see it like that.

After all, even rental properties or participation on other secure forms of investment requires regular input. In order to plan for your future you must first have the surplus money to put onto some form of investment. Let's consider a few facts about investing for the future.

First, decide how much money you will need, after all none of us really need a bottomless pit of cash that would just encourage financial laziness and waste. Work out how you want to live and how much a year this would take to fund this lifestyle.

In my book *Happy Money, Happy Life* I go into a lot of detail in how you can arrive at the amount of money that is required to fund a particular lifestyle.

Once you have calculated how much money you need, then you can go about exploring ways to raise this money. I will share a few general principles with you at this point. It is almost always true that the greater the risk the greater the return.

It is also almost always true that money is made from meeting market demand, be it something that the market needs, like food and shelter or something that the market wants, like entertainment and convenience.

Do not ignore these two business fundamentals when assessing investment opportunities.

Do not think that your investment plans need to be limited to those pushed in the popular media or by so called experts. Investment opportunities are limited only by your imagination and the time and effort that you are prepared to put in.

Let me give you a few real examples of how people have raised money to fund their future lifestyle.

There are the obvious ones like share trading and bank deposits. There are also the less obvious like starting or buying a business and selling it for a profit, taking an ownership position in an existing business and ever increasingly, participating in the commercial side of the internet. Then there are the downright obscure ways to fund you future.

I have seen piles of money made from a pig manure business, a small fortune from a simple hire company concept and even a tidy ongoing profit from

It is never too soon to start planning for your future financial success. Educate yourself and discover how other people have done it. Of course be wary of schemes that seem too good to be true, they probably are and avoid opportunities that do not follow the business basics.

No matter how you generate cash, the key to taking control of your financial destiny is to always, always, spend less than you earn.

In our next session we will look at the end result of all your effort and consider the joy of living the life of financial mastery.

STEP SEVEN

LIVE THE LIFE OF FINANCIAL MASTERY



In Step Six of Happy Money Happy Life we spoke about future planning and how we can generate the income we need to live the life that we want. Remember, we should not be limited to the investment choices that other people want us to make. We should use our imagination and analytical skills to make our own decisions on investments that are best for us. To do this will take time and some effort, but the rewards can be enormous for you and your loved ones.

Let's talk about the life of financial mastery. What does this mean? It means that we strive to live each day in control of our financial destiny. Will we achieve this perfect state? Probably not. There will be pitfalls and obstacles put in our way that we will have to work our way around.

We will make mistakes, but we can also learn from these experiences and become better at controlling our financial destiny. The first key to living the life of financial mastery is avoiding these pitfalls and obstacles. What are some of these obstacles

and pitfalls that must be avoided? When we have money available to spend, all sorts of people are more than willing to give us advice on how to spend it.

Make sure you always consider the source of the advice as well as the advice itself. There are plenty of wannabe millionaires out there with advice and ideas that haven't made them rich. Why would you want to listen to them?

Remember we spoke about financial advisers and stockbrokers who wanted to sell you their products. If you have disposable income you are a target for them. They will want you to be part of their income producing plan. Only do that if you are certain that it will be in your best interest to participate.

Another pitfall to be wary of is believing that you are invincible. You may have turned your life around and found financial security but never, ever let your guard down. One bad decision, one failed business venture, one action by another person can bring the whole thing tumbling down.

When you are in control of your financial destiny you must continue to exercise the good judgment that got you there. I'm not saying you should become obsessive about your wealth, just be aware of what is happening around you and make decisions based on your wellbeing and not your vanity or ego.

The second key element of living the life of financial mastery is balancing what you have with what you want. Happiness does not come from having stuff. Sure, there is a rush when we pick up the new car or put a contract on the dream beach house, but I truly believe that our happiness and contentment comes from our relationships and how we feel about ourselves.

How much happiness will a 40-foot yacht bring us if it sits on the marina berth all year costing us money, not much, that's for sure.

When we buy the yacht, we buy the dream of using it and sharing the experience with our loved ones and friends. Spend time thinking about who you are and what makes you happy, that experience is worth more to you than money or things

Another key element of living the life of financial mastery is to adopt the habit of lifelong learning. We live in an ever-changing world. The rules of financial success in 1980 were very different from the rules today and almost certainly won't work in their current form 10 years time.

None of us can ever hope to know everything there is to know about financial mastery but we should never stop seeking to know more.

I find that learning about people who have become successful and how they did it is a good place to start.

I also find that magazines and websites full of advertising do not necessarily give the most balanced information.

As I've previously suggested, considering who is giving you the advice and why before you act on it.

Finally, I would like to strongly encourage you to give back. It needn't necessarily be money. It might be that you have time and talent that you can give back. There are many examples of some of the richest people in the world giving incredible sums of money to charity work that is making a difference on a massive scale.

I believe that those of us who are fortunate enough to be able to give back should do so. If you have never volunteered or made a charitable donation then try it, you might be amazed at the outcome not only for the beneficiary but also for yourself.

To take control of your financial destiny, to achieve financial mastery allows you to live the life of your dreams for you and your loved ones. I cannot imagine why anyone would not want this.

I can understand, that most people don't have the commitment or energy to do what it takes to achieve financial mastery. Like most things in life, hoping and wishing won't make it, commitment and action will.

One thing is for certain, the type of life you live, existing as an income stream in someone else's financial plan or controlling your own financial destiny is up to one person – you.

I urge you to use the Happy Money Happy Life information and tools to change your financial situation and your life, you'll be glad you did.

I guarantee it.

Colin Paroz

ABOUT COLIN PAROZ



Colin is a Business Success Coach and Mentor with a mission to help entrepreneurs and business owners. His core focus is to help others set and achieve outstanding personal, professional and business goals in the pursuit of creating a fulfilling and successful life.

He works with people who are serious about taking their life and business to the next level.

If you need help to start a new business, grow your existing business or restructure a business facing significant challenges, you are in the right place.

ABOUT COLIN PAROZ

Here is what people are saying about working with Colin:

“I have worked with Colin for over 20 years. He has provided me with business-critical advice across a number of my companies. We have also worked together on numerous long-term business building programs with entrepreneurs in Asia where he has provided on-the-ground coaching and mentoring that has positively impacted thousands of young entrepreneurs. There are very few people I would recommend without reservations but Colin is one of them!”

Simon G. Bell
Chairman and CEO, Enigma Healthcare

“I have been working with Colin for roughly three months and he is helping me to extend my knowledge of business. Before working with Colin I was overwhelmed with business content and was unaware of how to put my thoughts into action. Colin is able to explain business ideas and tools that will benefit my brand in a simple way that is easy to understand. Colin has helped me put ideas onto paper, see the bigger picture and I feel like I am making progress towards my business goals.”

Kelly Mann
Owner and Head Exercise Physiologist, PerforMotion - Rehab and Performance.

“Colin and I have been working together on building DPMA for over five years and he consistently provides us with business building advice, tools and resources that enables us to take advantage of our business growth. His focus on creating value in the business and getting the right processes and structures in place is allowing me to spend more time working on the business rather than in it.”

Greg Jeffs
Owner, Design Print Mail Australia

“Colin worked with me and my staff to conduct a whole of business review and provide me with an inside look at my own business with a fresh set of eyes. His recommendations and go forward plan provided me with a clear set of objectives to drive the forward. He communicates in a simple and easy to understand manner that brings clarity to what can sometimes be a complex situation.”

Tom Hart Davies
Owner, Retailquip

Colin Paroz

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**HAPPY MONEY
HAPPY LIFE**