KILLING SACRED COWS

OVERCOMING *the* FINANCIAL MYTHS *that are* DESTROYING *your* PROSPERITY

GARRETT B. GUNDERSON

WITH STEPHEN PALMER

Published by Greenleaf Book Group LLC
4425 S. Mo Pac Expwy., Suite 600, Austin, TX 78735
www.greenleafbookgroup.com

Distributed by Greenleaf Book Group LLC

For ordering information or special discounts for bulk purchases, please contact Greenleaf Book Group LLC at 4425 S. Mo Pac Expwy., Suite 600, Austin, TX 78735, (512) 891-6100.

Design and composition by Greenleaf Book Group LLC
Cover design by Greenleaf Book Group LLC

Gunderson, Garrett B.
Killing sacred cows : overcoming the financial myths that are destroying your prosperity / Garrett B. Gunderson with Stephen Palmer. -- 1st ed.

p. : ill., charts ; cm.

ISBN: 978-1-929774-51-7

1. Finance, Personal. I. Palmer, Stephen (Stephen Daniel), 1976- II. Title.

HG179 .G863 2008
332.024 2008925604

Printed in the United States of America on acid-free paper

08 09 10 11 12 13 10 9 8 7 6 5 4 3 2 1

First Edition

Contents

Advance Praise for Killing Sacred Cows

"It's refreshing to hear another voice who understands that 401(k)s, home equity, and other 'traditional' investments are lazy assets and how to transform them into productive, cash-flowing investments. In *Killing Sacred Cows*, Garrett Gunderson breaks through the herd mentality to present the innovative approach to wealth creation employed by the wealthiest individuals. Forget what you think you know—read this book if you want to learn how to become financially successful."

— Loral Langemeier, author of the National Best Seller, *The Millionaire Maker: Act, Think and Make Money the Way the Wealthy Do*

"*Killing Sacred Cows* isn't a light or comforting read . . . it's disconcerting and thought-provoking. Transcend mediocrity and find true prosperity via this exceptional book."

— Christine Comaford-Lynch, *New York Times* bestselling author of *Rules for Renegades: How to Make More Money, Rock Your Career, and Revel in Your Individuality*

"The vast majority of people plan and organize their economic lives with faulty and counterproductive ideas, attitudes, and strategies. Garrett Gunderson throws out all of the bad stuff and then supplies rules and methods that bring substantial and satisfying progress over a lifetime."

—Dan Sullivan, President and founder of Strategic Coach

"Because of a learning disability, my high school graduating class voted me most likely to fail. What neither my classmates nor I realized at the time was that my 'broken' way of thinking prepared me for success much more than those who thought in conventional ways. Through my disability, I've developed a unique perspective that has allowed me to far exceed the predictions of my high school classmates.

If you want to succeed, ignore the crowd and follow your passion. In *Killing Sacred Cows*, Garrett Gunderson proves his understanding of this by detailing a 'broken' perspective on personal finance that is plain right. If you want results like everyone else, do what everyone else is doing—if you want to succeed financially, break the traditional rules and follow the path of the truly wealthy. Buy and read *Killing Sacred Cows* to discover that path."

—Robert Shemin, author of *Secrets of Buying and Selling Real Estate without Using Your Own Money!, Successful Real Estate Investing, Unlimited Riches: Making Your Fortune in Real Estate Investing*, and *40 Days to Success in Real Estate Investing*

"Success can be directly determined by your ability to build quality relationships and *Killing Sacred Cows* offers refreshing, realistic ways to get to the heart of prosperity by shifting your focus toward improving your relationships."

—Ivan Misner, *New York Times* bestselling author and founder of BNI

No actual cows were killed or harmed during the creation of this book.

Introduction

Find the sacred cows, slaughter them, sell the meat, make a profit.

—**Dan Sullivan**

Why do so many of us struggle financially when we live in the most free and prosperous country in the history of the world? Why do we continue to struggle when we are bombarded daily with information on how to become wealthy? I believe that most of us are kept from our potential because we labor under false ideas and perceptions about money, wealth, and prosperity.

The dictionary defines a "sacred cow" as an individual, organization, institution, teaching, or belief often considered exempt from criticism or questioning. In the financial world, sacred cows are the myths and traditions that distort our thinking about money, wealth, success, and prosperity. These myths are widespread and constantly reinforced through advice from friends and relatives, financial institutions, and the financial media. Because these financial sacred cows are so pervasive, they are rarely questioned and even less often defeated. But learning and applying the fundamental truths that counter the myths is the most direct path to the prosperity we're all capable of.

The purpose of this book is to help you kill these sacred cows—to identify and overcome the subtle and destructive myths, lies, and fallacies about money that are perpetuated through social programming and unquestioned traditions. These myths are crippling us—individually and societally. They limit and destroy our potential. They drastically and negatively influence our decisions on a daily basis, and most of us aren't even aware that they exist or how destructive they are.

What if everything you thought you knew to be true about money and finances was actually completely false? How soon would you want to find out, and what would you do about it?

Throughout the course of this book, we will explore the most common financial fallacies. Upon close scrutiny, you'll see that these myths are at odds with common sense at best, and at worst, destructive of our potential as creative beings.

Much of the material covered herein will undoubtedly be controversial, because it will challenge some of your most cherished beliefs and core assumptions. But it will also be enlightening. It will expand your thinking. It will help you to question things that most people never question. And with that critical analysis will come deeper understanding and more empowering perceptions and beliefs.

> Enslavement by illusion is comfortable; it is the liberation by truth that people fear. —**David Hawkins**

Origins of the Myths

The question arises, "If much of what we're taught about money is false, then why are these myths so prevalent, and where do they originate?" I believe that most of the myths about money that we are taught today originated during major economic or cultural developments (such as the Great Depression), are solidified by financial institutions that have a vested interest in maintaining the status quo, and are spread through the misguided advice of well-intentioned family members and friends.

> A myth is a fixed way of looking at the world which cannot be destroyed because, looked at through the myth, all evidence supports that myth.
> —**Edward de Bono**

We rarely think to question the financial concepts we believe in and follow. Seldom do we consider that these "tried-and-true" strategies might in fact be false. This happens because we are trained in our perceptions of money from a young age. Our parents pass along to us their own ideas about money. Even if their ideas are not explicitly stated, we absorb them through observation of our parents' use of money. If they were careless spenders, we will likely spend our money carelessly. If they were cautious and suspicious of others, we will hold tight to our money in like manner and miss opportunities to grow our wealth. Or we will adopt the polar opposites of their behavior about money and get ourselves into entirely different trouble. Without even knowing the source of our feelings about money, we will behave in ways that perpetuate financial mismanagement through our lifetimes and those of our children.

The members of our families and communities contribute to our miseducation through their own buying habits, through employment and investment advice, and through other motivating behaviors. Most people have good intentions, but their advice relies on the same myths they were taught or information that may be pertinent to their situations but does not relate to our own.

The myths we absorb from our parents and community are supported by society as a whole. Our culture offers "wisdom of the ages" in the form of clichés about money that we rarely question. These clichés are often rooted in historical events that have little to do with our current economy or our personal financial situations. For example, the Great Depression resulted in hoarding and a scarcity mindset that permeated American culture and heavily influenced succeeding generations. And the post–World War II boom led to the belief that financial security came from tying oneself to a corporation. These beliefs are perpetuated by institutions within our society because they support their goals or because the people within the institutions don't know any better either.

> Nothing is more difficult than competing with a myth. —**Françoise Giroud**

Financial services companies sell their products by promoting perspectives and methods with fancy names such as "The Miracle of Compounding Interest." These marketing messages have been used for so long that we have come to accept them as viable and trustworthy financial strategies. But financial institutions have always practiced and continue to practice the very things that we are either told to avoid or are completely unaware of. The ideas they promote are good for them, but not necessarily good for us.

Conventional retirement planners are usually no more helpful in the quest for true financial freedom. Not only do retirement planners receive their training from financial institutions, but they often work directly for these companies as well. Even if a retirement planner is knowledgeable in correct economic principles, he usually has an underlying incentive to sell suboptimal products.

This does not mean that financial institutions are inherently evil because they pursue their own interests. It does mean, however, that we must be aware that institutions are in business for a reason: to increase their revenues and their bottom line. My goal is not to tell you to completely avoid financial institutions; it is simply to point out that they have their own distinct interests and those interests may not coincide with yours. The better we understand the agendas of financial institutions, the more wisely we can utilize their policies for our benefit.

Educational institutions aren't effective at combating the myths that financial institutions propagate. American schools fail at educating students in correct principles of personal finance. A very different approach to money management is taught to students in personal finance courses as opposed to those in corporate finance courses. Personal finance directs learners to accumulate net worth, pay off debt, invest for the long term, and protect their possessions with term insurance. The corporate finance course teaches velocity of money, cash flow, risk management, and permanent insurance strategies. These principles and methods are far superior to and less risky than the personal finance techniques. In fact, corporate finance strategies are intended to take advantage of the investment dollars tucked away by people using personal finance methods. What isn't taught to the average American is that

corporate finance strategies can be employed on a personal level and used to achieve far greater wealth with equal or better security.

To combat the compounded influence of family, community, experts, education, and society—a daunting task—we must realize that popularity and the majority's opinions don't necessarily point to the truth. In other words, fifty million people saying a dumb thing doesn't make it any less dumb. The herd mentality is destructive. Consider this question: If only a minority of people are wealthy, why do we follow what the majority of people do financially? True principles of personal finance exist that can lead to prosperity for anyone in almost any circumstance. But succeeding with these principles requires the courage to step away from the crowd and to choose "the road not taken."

The Destructive Nature of Financial Myths

Buying into myths about money and finances destroys our prosperity and limits our productivity. It prevents us from seeing empowering and enlightening truths. It makes us stumble in ways that we never would have had we known the truth. For example, my friend Garrett White routinely does the following exercise at seminars: He asks a person to walk from the front of the room to the back, get a glass of water, and bring it back to the front. He promises that if they do it correctly, they will receive a prize. Each time, when the volunteers return to the front of the room with a glass of water in hand, he informs them that they did it all wrong—they were supposed to turn around three times, walk a certain way, and go around a few chairs. His exercise shows that we can't succeed at anything unless we know the rules. Myths and false information keep us from learning the natural rules of wealth and prosperity.

When we accept financial myths, we accept untold opportunity costs. Every single thing that we do comes at a cost, the cost being everything we could have done instead of what we actually did. For example, every time we decide to accumulate money in a bank account because it's "safe," it comes at the cost of the returns we could have earned had we found a more productive use for the money. Every time we choose to follow the myth that developing our passion is risky and that finding an unattractive career is safe, it comes at the cost of achieving our full potential and influencing people for good.

When people are confronted with myths, they commonly experience mental dilemmas. In fact, this phenomenon is one way to detect an underlying myth impacting a decision. Dilemmas come about when false beliefs leave us paralyzed, caught in a catch-22 where we see no way to win no matter what we do. For example, many people desire to be highly successful and wealthy but believe (often subconsciously) that achieving success would mean acting against their moral principles. They believe they are forced to choose between their principles and their prosperity.

What can you do in a situation like this? Instead of just taking action and feeling guilty with any choice, those who understand that myths are prevalent in our financial thoughts question the basic assumptions that they are facing and see past the myth. This helps resolve the dilemma and grants new access to power and the ability to take action in a way that promotes a feeling of prosperity and certainty, rather than frustration and confusion. The difficulty is in finding the myth that is crippling your progress among the many subtle beliefs about money and productivity you've absorbed over a lifetime of learning about them.

Why We Can't Let Go

> Education is the slow process of learning our ignorance. —**Will Durant**

It's human nature to relate things that we are unfamiliar with back to the things that we are already familiar with, or with the things that we *think* we know. But what if the things we think we know are false, or at least misguided? How can we make sense of new things when our frame of reference is distorted or not founded in truth? One of the most critical steps we can take toward financial freedom is to accept the possibility that what we thought to be true may be completely false, and that there are infinite truths we have yet to learn.

I believe that the financial sacred cows give us distorted views of money and prosperity that we are rarely able to defeat because these fallacies appear

to be self-evident. Because modern life is complicated and we have to make decisions about so many different kinds of issues, we often depend on the opinions of specialists and experts in a field instead of learning about it ourselves. We've become used to accepting assumptions and handed-down advice and often choose not to make the time and effort to question them. We are too busy (or so we think) to learn the world anew, from its very foundations on up. We take the word of experts, or we trust in the advice of those we love and who love us. I certainly started out well indoctrinated into the myths, and it was only through trial and error, a willingness to experiment, and the guidance of wise mentors that I managed to shake free of their grasp and create the life I want to live.

However, when I teach people about financial myths and how to overcome them, there are three statements or sentiments that I routinely hear: "It sounds too good to be true," "Why haven't I heard of this before?" and "You have to be a financial genius and learn the secrets to be really successful or wealthy."

When I hear people say "It sounds too good to be true," my answer is that we only believe this about things with which we have no experience. All great human achievements sounded too good to be true at one time. Can you imagine teaching a nineteenth-century pioneer living in a dirt-floor, one-room cabin about how cell phones and computers work? When we say "It sounds too good to be true," what we really mean is that we don't know how to do it, so we are skeptical. This attitude limits our potential by giving us negative and suspicious lenses through which we view the world.

Granted, a healthy tendency to critical analysis can save us a lot of headaches, and I am not saying that we should be naïve and blindly accept whatever we're told. But it is much more healthy and conducive to happiness and creativity to remain open to learning how and why things work, even if we don't initially understand. Casually discarding everything that sounds "too good to be true" will lead to a life of poverty even if we are surrounded by success and prosperity.

Likewise, when people demand why they haven't heard my strategies before, the implication is that they have a monopoly on all truth and find it hard to accept that there are things that they don't know.

In reality, there are four realms of knowledge relating to all of us: the things we know that we know; the things that we think we know; the things that we know we don't know; and the things that we don't know that we don't know. Obviously, the last realm—the things that we don't know we don't know—is infinitely larger than all of the other realms combined. It's human nature to relate things that we are unfamiliar with back to the things that we are already familiar with, or with the things that we *think* we know.

Those who say it can't be done are usually interrupted by others doing it.

—**Joel Barker**

On the other hand, believing that financial success is a product of genius or secret strategies is a recipe for irresponsibility and inaction. Those who believe this tend to think that their lack of success is a result of market and societal forces beyond their control. This group fails to realize that universal principles of wealth creation are available to all of us equally. These people don't realize their full potentials because they believe—consciously or subconsciously—that success comes from sources outside of themselves, and that if they aren't lucky enough to have been born into the circles of the wealthy who know the "secrets," then the quest for wealth is a futile search.

Financial success is the product of finding and applying universal principles. It is available to every one of us. It is achievable. It is integral to our progress and development as creative beings with infinite potential. If we can train ourselves to question and attack the myths that are limiting our potentials, we can be infinitely prosperous.

There are risks and costs to a program of action. But they are far less than the long-range risks and costs of comfortable inaction.

—**John F. Kennedy**

Replacing the Subtle Lies with the Elusive Obvious

This book is primarily concerned with exposing elusively obvious ideas that combat the subtle lies we labor under. Blatant lies are easy to recognize and avoid; the subtle lies can ultimately be more destructive because they are much more difficult to detect and uproot.

Subtle lies seem to make sense and to carry a certain air of credibility. They are often supported by supposed proof and factual evidence that spread and perpetuate them. Many times they appear in the form of half-truths, or truths taken out of context. As these myths gain hold in society, they seem obviously sound—so obviously so that we don't question them. They are sometimes indications of good intentions, but they carry unintended and often unseen negative consequences.

Myths which are believed in tend to become true. —**George Orwell**

Subtle lies also take root in times of chaos and conflict; they can appear as saviors in times of extreme circumstances. They find fertile ground in atmospheres of fear and greed. They appeal to the baser side of human nature. They make destructive paths seem better by focusing on short-term rewards while disguising long-term consequences; by their very nature they encourage shortsightedness. They make us forget the big picture and lure us into focusing on unimportant, trivial matters. In the words of Stephen Covey, they get us into the "thick of thin things."

When we begin to strip the myths bare, we quickly find that declaring them false takes nothing but common sense. We have all had experiences where, after a significant change in our mindset, the new truth that we have discovered seems so obvious that we wonder why we haven't seen it before. So it is with these myths—as soon as we turn our full attention to evaluating their worth, it becomes clear that they are nonsensical at best, and at worst, actively destructive.

Men occasionally stumble over the truth, but most of them pick themselves up and hurry off as if nothing had happened.

—**Winston Churchill**

The "elusive obvious" is the truth that lies just under the surface of the hype, rhetoric, and propaganda that distracts us from seeing it. For instance, many of us are taught to go to school, get good grades, choose a traditional career, and aim for jobs at a stable corporation with good benefits—even if all of this means that we spend our lives stuck in a situation that doesn't bring real joy. We're taught that it's "risky" to pursue our passions—especially if those giving the advice can't see a way for us to make money by doing so.

But when we carefully analyze such traditional advice, we begin to see how ridiculous it is. When we study the lives of the ultrasuccessful, we find a common thread: all of them pursued their passions instead of ignoring or stifling them for the sake of security. Where would the world be if Walt Disney, Warren Buffett, and Bill Gates had followed this terrible advice?

How can it be risky to wake up each morning and do what we love doing, provided it is moral, principle based, and creates value in the world? Sacrificing the things that bring us the most joy for an imaginary security, and therefore not living up to our potential, is actually the more risky thing to do. This, then, is the elusive obvious behind the advice to sacrifice passion for security.

Do what you love in the service of people who love what you do.

—**Steve Farber**

Redefining Prosperity

One of the most important subtle lies we must combat—one that lies at the root of so many other myths—is that prosperity is nothing more than the accumulation of material wealth. The elusive obvious is that true prosperity is different for every person and rarely has much to do with how much money she has in the bank or how many cars he has in the garage. Prosperity and happiness are closely related (as we'll discuss throughout the book). They are both dependent upon two key elements: Soul Purpose and human life value.

Each of us was born for greatness, and every one of us has what I call "Soul Purpose." Soul Purpose is your unique set of talents, abilities, and passions applied productively and effectively, making tremendous impact upon the world and bringing the highest levels of joy and fulfillment for you and everyone you touch. It's the mission that you were born for; it's what you would do every day even if you didn't get paid for it. When you've truly found your Soul Purpose, you create so much value for others that you're almost inevitably paid very well indeed. My friend and colleague Steve D'Annunzio says of Soul Purpose, "Living your Soul Purpose does not mean that you have to own your own business or be famous. It means that you are doing what you are naturally passionate about doing every day, whether working for yourself or as an employee. Many people know their Soul Purpose but refuse to acknowledge it because doing so may require uncomfortable decisions. The real pain and suffering from human existence come from not making these decisions."

The mass of men lead lives of quiet desperation and go to the grave with the song still in them.

—Attributed to **Henry David Thoreau**

Human life value is our own particular combination of knowledge, skills, and abilities—everything that we are when we take away all of our material resources. It is our character and integrity, our ability to think creatively and uniquely, our relationships, our faith—or the lack of each of these things. It is our knowledge and ability to shape materials and information in new ways that are valued and utilized by others and ourselves. Every material thing we enjoy today came from the utilization of individual human life value. The materials in our homes already existed in the earth, but until human life value was applied to natural resources, that matter was nothing but potential value. When human life value is applied to physical matter, it becomes shaped and manipulated into something valuable to us.

If we think of prosperity in terms of achieving and applying our greatest human life value in order to live our Soul Purpose, many of the myths that we labor under instantly come into question. If our new goal is to create value in the world, not simply build our net worth, then how we go about becoming prosperous changes forever.

> Try not to become a man of success, but rather try to become a man of value.
>
> —**Albert Einstein**

The Purpose of *Killing Sacred Cows*

The most important factors in economics that directly affect your wealth and prosperity are the factors that initially go unseen, the forces at play beyond the myths perpetuated by people and institutions that have a vested interest in your belief of the myths. The purpose of this book is to train your mind and help you to cultivate the ability to be able to see through the myths that limit wealth creation. If this is accomplished, you may well experience a productivity breakthrough on an unprecedented scale.

Specifically, here are some of the things you will learn from reading this book:

- **How the scarcity paradigm, which is at the root of so much common financial advice, limits our financial success**
- **How the "accumulation theory" of wealth that most of us subscribe to destroys our potential**
- **Why "investing" in the stock market for most people is little better than buying lottery tickets—and how you can create real wealth instead**
- **How most people are in a security dilemma caused by avoiding things they fear, which actually decreases their security—and how to find true security yourself**

- **Why money doesn't equal power**
- **Why the most lucrative investments are by nature the lowest risk**
- **Why the best way to reduce the cost of insurance is to buy the most you possibly can**
- **How false beliefs about "getting out of debt" may be keeping you from financial freedom**
- **Why value is infinitely more important than price**

After reading this book, the next time your brother-in-law advises you to maximize your 401(k) contribution, you won't blindly accept the fallacy that there will be an automatic "100 percent rate of return" because of the employer match. The next time your parents tell you to get a fifteen-year mortgage and to pay if off as quickly as possible, you'll stop and think about it, analyze it from every angle, and be able to see the unseen falsehoods behind the myth that this practice is safe. If you do contribute to a 401(k) or pay off your mortgage quickly, it will be because it is part of a macroeconomic plan with other moving parts that will actually bring you the best return, not because of a false perception of the employer match and tax deferral. And instead of questioning if you will have enough money to retire, you'll question the concept of retirement itself.

You will, in short, be better prepared to think like a wise economist instead of like a confused consumer. You will find that what you see on the surface is often, if not always, deceptive, and that real truths lie under the surface of what is obvious. Becoming empowered financially will help you unleash your creative genius and reach your full potential. We cannot become financially successful until we learn to recognize myths and then overcome them with truth and principles.

My purpose isn't so much to identify and answer every myth for every reader as it is to just get readers thinking about the rhetoric, propaganda, and traditional "logic" that we're fed through the financial media. If after you are finished reading this book, you are still depending on me or anyone else to give you answers on how to recognize and see through financial myths, I have failed my purpose. Many more myths exist than we'll cover here, and this book is not meant to be an exhaustive study of each one; it's meant to be a catalyst to set you on your own path to true financial freedom.

Immerse yourself in the real facts and begin to break through the barriers that the myths about money have created in the minds of so many people. As you read this book, you will get beneath the surface to the root of money matters. You will see that the invisible chains holding you back are merely illusions that you accept from other people, the media, and financial institutions. Unlock the genius within by educating and investing in yourself.

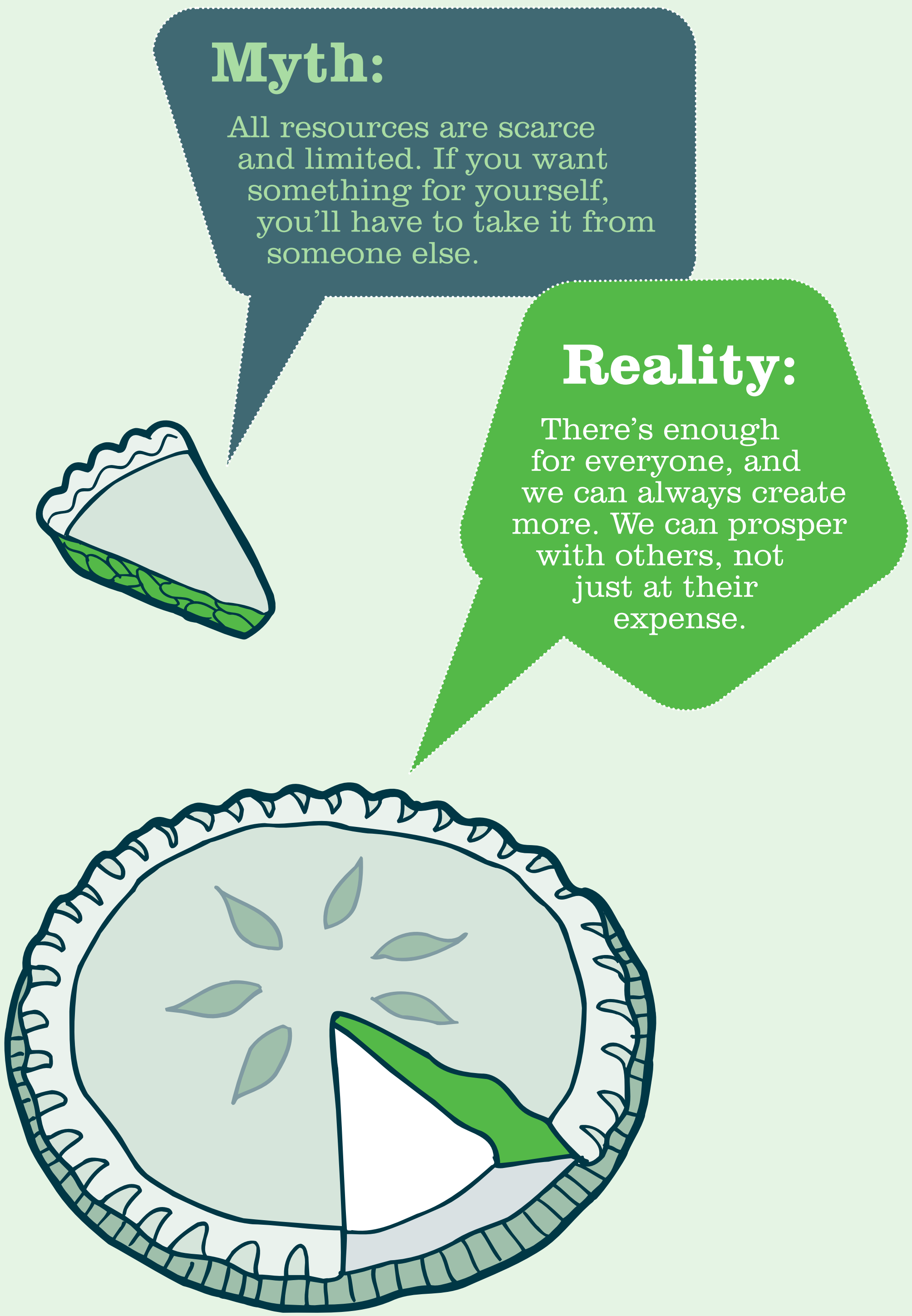
My challenge to you is to take this book personally. As you read, think about how you can apply these concepts and how they would be useful for you. When you feel compelled to have a conversation about what you are learning, engage in one. If at any time you question what you're reading, think it through and apply the concept in your life. Keep reading, learning, and questioning the assumptions and beliefs you face every day. Live extraordinarily; this may not be easy, but it is more than worth it.

MYTH 1:

The Finite Pie

The number of mouths to be fed will have no limit; but the food that is to supply them cannot keep pace with the demand for it; we must come to a stop somewhere . . . In this state of things there will be no remedy . . . famine, distress, havoc and dismay will spread around; hatred, violence, war and bloodshed will be the infallible consequence; and from the pinnacle of happiness, peace, refinement and social advantage we shall be hurled once more into a profounder abyss of misery, want, and barbarism than ever by the sole operation of the principle of population!

—Thomas Malthus (1766–1834)



The way we think is costing us money—and more than money, our quality of life. Without knowing it, we're missing opportunities, wasting our potential, and letting our dollars and destinies stagnate. But all of this comes from one pernicious root belief: Most of us believe that there is a finite resource "pie" from which we all share and that the more we have, the less others have, and vice versa. We believe that all resources are scarce. It's not unusual that so many of us believe this, though. From birth a mindset of scarcity is ingrained in us. In school we're taught that economics is the science of allocating scarce resources. On television, in magazines, in newspapers, on the Internet, and in virtually every other form of media, we are bombarded with claims that there isn't enough to go around. The theories and strategies of intellectuals like Thomas Malthus articulate such a convincing case for scarcity that it becomes difficult to see the deeper truths beyond what the data seems to suggest on the surface.

In the scarcity mindset, we take it for granted that our society does not have enough resources or productive capacity to fulfill everyone's needs and desires. Consequently, we believe that our material gains come only as a loss to others, and that when others possess more it means less for us. It's easy to see how a culture that accepts the notion of scarcity quickly becomes ultra-competitive and selfish.

But the scarcity mindset is predicated on false beliefs, misinformation, outdated ideas, and fear. While scarcity may be a valid concern at times in the physical world, I will show how human innovation and the principle of exchange render those facts obsolete and add much deeper context to the surface realities, and how we can overcome scarcity and its ill effects in both our minds and our finances.

scarcity: The belief that resources are limited, and the world is a stage for a zero-sum game of accumulation. In a zero-sum game, anything that another wins is no longer available to all others playing the game.

Scarcity is the belief that resources are limited, and the world is a stage for a zero-sum game of accumulation. In a zero-sum game, anything that another wins is no longer available to all others playing the game. Further, these winnings are not replaced or transformed into anything of equivalent or greater value that remains in the game, available to other players. In scarcity, ownership by another means the loss of opportunity for oneself.

The opposite of scarcity is abundance. The concept of abundance is that there are more than enough resources to fulfill the desires of all the people within a society, a far more inspiring and productive way to look at the world and well supported by the facts, as I'll show you. This is the approach that many successful people and organizations take to their financial decisions, and for obvious reasons. This mindset sets a positive, clear path to achieving your financial potential and your purpose.

The Destructive Nature of Scarcity Thinking

At some point or another in their lives, most people experience scarcity as a reality on a personal scale. But to extrapolate this beyond its true importance and adopt the belief that scarcity represents the nature of our economy, our culture, our environment, or even our universe is destructive and limiting in every aspect of our lives.

When our actions are based on a scarcity mindset, we are acting on fear: fear that we won't get our fair share, that somebody else will reap rewards that we won't, or that we'll have to fight tooth and nail against others to achieve the level of success or prosperity we desire. And this fear causes us to make irrational decisions (especially when it comes to our finances) that limit our potential rather than enhance it.

Nevertheless, the scarcity paradigm dominates our culture today. Consider an example from the media:

> Of all the impulses in humanity's behavioral portfolio, ambition—that need to grab an ever bigger piece of the resource pie before someone else gets it—ought to be one of the most democratically distributed. *Nature is a zero-sum game, after all.* Every buffalo you kill for your family is one less for somebody else's; every acre of land you occupy elbows out somebody else. (Jeffrey Kluger, "Ambition: Why Some People Are Most Likely To Succeed," *Time*, November 14, 2005, vol. 166, no. 20.)

Note the author's assumption that scarcity is the nature of the universe, and how he perceives that human behavior should flow from that assumption. That philosophy justifies hostile, destructively competitive action and the perception that all economic transactions are win-lose, and unapologetically so. After all, if we do not "[elbow] out somebody else," according to Kluger, we are left with nothing ourselves.

Here is another example about Wal-Mart, the company that zero-sum thinkers love to hate:

> Wal-Mart's ascent . . . has already placed it in the exclusive club of companies whose raw power makes them the most feared corporate animals of their time. Wal-Mart has killed or wounded competitor after competitor . . . there's little doubt that Wal-Mart is among history's premier practitioners of Darwinian capitalism, red of tooth and claw. (Matthew Maier,"How to Beat Wal-Mart," CNN Money.com, May 1, 2005.)

Notice the words "feared," "killed," "wounded," "Darwinian," and the references to Wal-Mart as a corporate beast "red of tooth and claw." The underlying assumption here is that Wal-Mart's gains are painful wounds or losses to every other retail store.

It's clear that the scarcity mindset pervades our media and culture, but how does it practically affect us in our daily lives? Reacting out of fear of loss causes us to accept false theories on how to succeed, to neglect the opportunities that would lead us to true prosperity, and to suffer in bad jobs and unfulfilling lifestyles working for nothing but an illusion of security. And perhaps most important, scarcity negatively affects the way we interact with others because it's characterized by an adversarial, win-lose perspective of the world and relationships. When we compete in scarcity, we try to do so at the expense of others—we believe that we can only win if someone else loses. We view others as competition, as roadblocks in the way of our getting what we want. The destruction this attitude wreaks on our prosperity and our contributions to the world is wide-reaching and hard to see at first, but much of this book will be focused on uncovering it and helping to restore a more natural worldview.

In the thrall of scarcity thinking, we make faulty financial decisions. We buy things we don't need because we can never have enough, and we also postpone appropriate purchases, even when we have the money, because we can't let go of our precious dollars. We pull money out of investments when we should be buying more, and we buy investments at their peak when we should be selling. We're naïve when we should be cautious, and skeptical when we should be optimistic. When we encounter challenges, our minds automatically focus on all the reasons why we can't succeed. We feel jealous and envious of others when we perceive that they are more intelligent or beautiful, make more money, have more friends, or have more opportunities than us. We feel superior to those who have less than us. We sue and are sued at the slightest grievances, and for trivial amounts of money, then complain when insurance rates raise. Scarcity even leads some to lie, cheat, and steal to get what is wanted, at the expense of others and our own integrity.

In the commission-based financial services industry, scarcity leads to a focus on making a sale instead of what our clients really want, which hurts both parties. My friend Dean, who is also in the financial services industry, told me about a realization he had as he was working with a client. His client came to him seeking advice on a new job. The client had to make a decision between two pay structures, and was also trying to weigh his children's school

and his own work situation, which would be changing, into the equation. As the client bared his deepest concerns and hopes for the future, Dean found that he wasn't really listening or trying to meet the client's needs; rather, his thoughts were focused on how he could sell the client a life insurance product to generate a commission. After he made his presentation and the client shared more information, it became clear that the life insurance policy was completely unnecessary and Dean lost the sale. As he tried to figure out what had gone wrong, it became clear to Dean that he had acted with a scarcity mindset, and hadn't met the client's actual objectives, nor had he created real value for fear of losing a commission. Instead he lost the client altogether—after realizing Dean was only in it for the commission, the man never came back again.

THE MYTHS IN REALITY: Cash in Coffee Cans

My own great-aunt destroyed her relationships with her siblings because of her struggles with the scarcity mentality. A first-generation immigrant, she came to America from Italy with her brother, sister, and parents when she was young, and all the family scrimped and saved for years to build up a nest egg, which they put in the bank in her name. As she got older, my great-aunt told everyone how poor she was, and she applied to every government program that might offer her assistance. My grandfather was always over at her twenty-five-thousand-dollar house fixing her faulty appliances, and she continued to economize on every possible purchase.

Then she got very sick and was expected to die soon. That's when my grandfather pulled me aside and explained that the siblings' money was all in her name, and probably about to be lost to medical expenses or taxes—and they had accumulated over half a million dollars. As my aunt lay on her deathbed, she asked that we move the money to a safe place.

Against the odds, my aunt recovered and we moved the money to a high-yield investment. Instead of being pleased that we'd found a way to turn their nest egg into usable cash, she was furious and accused my grandfather of stealing from her. He took the money out of the high-yield investment and gave it back. My aunt took some and buried it in her backyard, sealed some more in coffee cans in her cellar, and returned to living a life of poverty—but this time, without my grandfather's help and support. The two siblings still don't speak to each other, despite the seventy-five years of closeness that came before.

When we live in scarcity, greed can blind us to common sense. My friend Cory lost fifty thousand dollars in a scam because he became overwhelmed with the prospect of high returns and thought that if he didn't act immediately, he would lose out. He was approached by a company who asked him to invest in a debt-restructuring and -assistance program and promised him a 10 percent per month return. Without doing any due diligence, he quickly wrote them a check for twenty-five-thousand dollars, and a couple days later gave them another twenty-five thousand because he was so excited about the potential returns. The next month Cory and the other "investors" were told that the company was still working through some issues and would be unable to pay. Each month after that brought another excuse, and several months later, with no returns ever paid, Cory found out that the company was a scam. The founder went to prison. Cory discovered that this person had already been convicted of similar activity and was on probation at the time Cory gave him money. A simple Internet search would have uncovered the fraud, but the lure of high returns prevented him from acting wisely.

Scarcity is about so much more than money and material resources. It's a mindset, a way of viewing and interacting with the world, and it permeates everything we think and do. In large part, it determines who we are and how we act. It robs us of hope, steals our dreams, presents us with supposed evidence for living small and treating others badly, and renders us impotent, despite our infinite potential to create and make the world a better place. In a world of possible freedom, joy, abundance, and service, a scarcity mindset cripples us and aids us in seeing not much more than limitations, suffering, poverty, and selfishness.

The scarcity mindset can also limit the potential of the people around us, our community, our economy, and our society. This is because the scarcity mentality is characterized by adversarial, win-lose relationships. When we compete in scarcity, we try to do so at the expense of others—we believe that we can only win if someone else loses.

Some people might argue that adversarial competition is a critical element of free enterprise, that it's impossible to have a free market economy without it. However, it's clear that a free market economy is more productive when everybody adopts an attitude of cooperative competition and fosters win-win relationships. That sounds a lot better than "for every winner there must be a loser," doesn't it? The myth of scarcity destroys our potential because it pits us *against* each other rather than helping us work *with* each other.

More than simply derailing individual financial success and human potential, scarcity thinking tears apart communities, relationships, and families. Under the scarcity paradigm, money and goods aren't the only finite resources—*everything* is grounds for competition and resentment, from jobs to abstract qualities like beauty and intelligence. Everything someone else possesses represents something that you cannot have.

Even people who consciously reject the idea of scarcity can be *subconsciously* subject to the negative effects of the myth, whether because they copy behaviors their parents and family members have modeled, because scarcity simply feels safer, or for some other unexamined reason. Most of us operate with unconscious paradigms of scarcity that we don't verbalize or try to express. If we did, we might recognize their destructive nature and seek out a better ideology that wouldn't cripple our ability to think and act creatively or productively. This is exactly what the concept of abundance can do for us.

YOU KNOW YOU'RE IN SCARCITY WHEN…

Your friend at work gets a promotion and you find yourself feeling jealous, rather than happy for him.

You see a person driving an expensive car and find yourself feeling resentful or judging her.

You make purchases on credit and live beyond your means; you're dissatisfied with what you have.

You postpone important purchases that would add dramatic value to your life, even when you have the money to make them, because you can't stand to part with your cash.

When your spouse or child asks you to buy something, more often than not your immediate response is that you can't afford it.

You find yourself frequently wishing for a better life, yet you think that it would be futile to strive for something better; there's never enough time or money to do the things you want to do.

You have ideas about how to make your life better, like switching careers or starting your own business, but are afraid to put them into action.

You keep your money in "safe" investments like CDs and money market accounts because you fear losing it.

You pick the riskiest investments, cross your fingers, and hope for high returns, thinking that gambling and luck is your best path to wealth.

Replacing Scarcity with Abundance

Scarcity thinking is holding us back, individually and as a society. Because of this, we must find a way to replace scarcity thinking with a mentality of abundance. Scarcity thinking says, "I can't afford it," or "I just don't have any options," or "I never have enough time to pursue my ideal life." Abundant thinking says, "How can I afford this?" or "I know I have unlimited options; I just have to find a way to realize them," or "How can I *create* more space so I have time to pursue my passions?" Scarcity is limited; abundance is limitless.

We can consciously choose to view life abundantly, to think and act abundantly, and to eliminate our fear of loss. The path to overcoming the myth of scarcity requires us to recognize and accept the abundant nature of our environments and of our potential as creative beings. When we face hardships that seem to reveal that life is harsh and the nature of our existence is combating scarcity, we need to take a broader view and realize that what has happened is that principles of abundance have been violated. If more people live with an abundance mindset, we will all experience less hardship.

QUIZ: What Is Your Mindset?

Rank the following statements on a scale of 1–10, with 10 being "true" and 1 being "false":

1. You are living something close to your ideal life today.
2. You feel confident, assured, and in control of every place you invest your money.
3. All of your financial components are working together and you have the right team in place to see them through.
4. You feel energized and empowered by your finances right now.
5. You do what you want to do on a daily basis, without fear over money.
6. There are no money worries you could remove from your life to improve it.

Add your answers together and divide by 60. What's your grade? A+? C-?

Take, for example, people who have lost money through investments in mutual funds or the stock market. With a scarcity mindset, they will believe they have learned that investing is risky and that profits from investments are scarce. But the true lesson could be that a person or group of people involved with the investment—the investor, the fund manager, the CEO of a business in which the money was invested—made choices that limited or destroyed the potential return of the investment. Investors could also learn lessons from the experience that will propel them to greater success with investments in the future—such as better ways to select fund managers or businesses to invest in. They might examine their investment options more closely in the future to ensure that they are aligned with the principles of abundance, or think of a new way to earn returns from their money. Through abundance, they can view their mistakes as positive lessons that can be applied to minimize risk, and continue to invest, becoming wiser with each investment, each success, and each mistake.

Overcoming the myth of scarcity and replacing it with an abundance mindset is achieved by understanding the following truths, which I'll explore throughout the rest of this chapter.

- People, not material things, have intrinsic value, and people make individual, personal determinations of the value of material things.
- The principle that exchange creates individual and community wealth implies that by continuously exchanging goods and services we can create infinite value from those goods and services. Even if resources are finite, scarce resources plus human ingenuity, individual ideas of value, and continual exchange can create infinite productivity from the available resources.
- The quality of our lives is not determined by the quantity of our stuff.
- Adversarial competition is not conducive to a healthy free market. Enlightened, cooperative competition helps us transcend win-lose relationships and serve one another more effectively and efficiently.

Intrinsic Value and Infinite Value Determinations

One of the key fallacies that helps propagate scarcity thinking is the belief that material things, rather than people, have intrinsic value. Valuing material

things in themselves, instead of for their worth to people, inevitably leads to a scarcity mindset, because if material things have intrinsic value, the only way to increase your wealth is to hoard these things. Then, when you lose material things, even in an agreeable trade, you have reduced your wealth. But this is illogical thinking.

How much is your home worth? You probably have a specific dollar amount in mind and would staunchly defend that estimate. But consider this: Would the value of your home change if it were moved to a different city? To a different state? To a different climate? To a different country? Will your home be worth the same amount a year from now? Five years from now? The value of any home depends on many factors and can fluctuate depending on market conditions. But if a home has intrinsic, or inherent, value, how could its market value change?

The first answer to the question, "How much is your home worth?" is always another question: "To whom?" Material things only have value and utility because people value and use them, and people *do* have intrinsic value. People determine what a particular thing is worth to them individually, and each one of us will value any given material resource differently from every other person. This is why the value of any material good or resource can be infinite—because it exists only in our minds and perceptions. A home worth $1 million to you could be completely worthless to me. I might pay $100,000 for a car that you would never consider driving. The intrinsic value lies in the people living in homes and driving cars, not in the homes and cars themselves.

> More gold has been mined from the thoughts of men than has ever been taken from the earth.
>
> —**Napoleon Hill**

None of us value material things equally. This means that resources are infinite according to our individual perceptions of value. There's no productive reason to hoard material things, because since we all have different desires, we can fulfill those desires through efficient, free-market distribution of material resources. When we operate in abundance instead of hoarding

Q: If I have a book and you have $20, and we mutually decide to exchange my book for your $20, what was the book worth to you? What was the book worth to me?

everything for ourselves, resources go into the hands of those who value them the most, and, in most cases, who use them the most effectively.

Our individuality makes for infinite value perceptions and determinations. Why worry that there aren't enough BMWs to go around? Not everyone wants a BMW. Even if it appears that we are going to run out of something, those who value that thing the most will continue to use it, and those who value it the least will create other resources to fulfill the desires previously fulfilled by that resource. This ingenuity will create more markets and more products, and it will ultimately satisfy more wants and needs than ever before.

Consider the example of currency: Even though the amount of currency in circulation is finite, we can use every dollar bill in infinite transactions to create infinite value. One dollar bill can literally become millions—a concept that will be discussed more in chapter 3. I can buy something from you for a dollar, you can take that dollar and buy something from someone else, who can then use it to buy something else, and so on. There are finite dollars, yet infinite value can be exchanged with that finite currency.

Value Exchange Facilitates Wealth

If I have a book and you have $20, and we mutually decide to exchange my book for your $20, what were the book and the $20 worth to you? What were the book and the $20 worth to me? Most people answer that the book was worth $20 to both you and me. This is wrong. *We only give up something in an exchange when we value what we're receiving more than we value what we're giving up*. Hence, there is no way to quantify an exact amount that the book or the $20 was worth to you or me. All we can conclusively say is that to you, the book was worth *more* than $20 and the $20 was worth *less* than the book; to me the book was worth *less* than $20 and the $20 was worth *more* than the book. We both walk away wealthier than before the transaction because we both have something that is worth more to us than what we had before.

We only exchange when others have something that we value more than what we currently have. We never trade like value for like value, because we have no incentive to do so. We trade what we have for what we actually want more. Therefore, hoarding of goods, money, or resources for their own sake—which often comes about as a result of scarcity thinking—limits our personal wealth and precludes personal joy and fulfillment. When we refuse to spend or exchange, we eliminate the joy that comes from activities and possessions that cost money and the increased satisfaction that comes from exchanging something we value for something we value more.

Exchange can only occur in an atmosphere of disagreement. In a free market, the final sale price of any object is always an amount that the seller and the buyer both disagree that the object is worth. This principle is vital to overcoming the myth of scarcity, because one way we create infinite value is through the process of exchange. Just as we can exchange the same dollars an infinite number of times, so we can exchange any and every form of material wealth. The value is not in the things—it is in the minds of people.

Human Ingenuity

Even if we are unable to accept that material resources are essentially infinite, the fact remains that human beings are creative by nature and able to apply their creativity and ingenuity to scarce resources in ways that make those resources abundantly productive. Take, for instance, the case of oil, which is available only in limited quantity. The same ingenuity that gave us the products and resources that have diminished the supply of oil can provide a way to stretch what is left and discover new sources of energy. Oil was used very little until we invented automobiles; then it became one of our biggest sources of energy. The free market is now seeking to replace oil with other, more viable and sustainable sources of energy. How many resources are yet to be discovered, awaiting our creativity to find a use for them?

A: The book was worth more than $20 to you, and the book was worth less than $20 to me.

In *The Ultimate Resource 2*, economist Julian Simon provides empirical data to support the idea that resources can be made abundant by intelligent people working to solve their problems and the problems of their communities. He argues that through economic and political freedom, human ingenuity (which is the "ultimate resource") can manipulate scarce resources to create a prosperous future for the world. For instance, as he explains,

> Agricultural land is not a fixed resource. Rather, the amount of agricultural land has been increasing substantially . . . In the countries that are best supplied with food, such as the United States, the quantity of land under cultivation has been decreasing because it is more economical to raise larger yields on less land than to increase the total amount of farmland. For this reason, among others, the amount of land used for forests, recreation, and wildlife has been increasing rapidly in the United States.

Simon also gives highly optimistic evidence on pollution, natural resources, human fertility, immigration, and the unhealthy effects of population density, among other things.

Fear of innovation and "disruptive" technology has always been a fact of civilization, despite the progress that it actually inspires. For example, even Gutenberg's printing press, which completely revolutionized the world for the better, was initially feared and criticized. Historian Will Durant wrote that when the printing press was introduced, "not all welcomed it. Copyists protested that printing would destroy their means of livelihood; aristocrats opposed it as a mechanical vulgarization, and feared that it would lower the value of their manuscript libraries; statesmen and clergy distrusted it as a possible vehicle of subversive ideas" (*The Reformation*, 159).

In spite of protests that it would destroy livelihoods, with the printing press came countless new jobs and industries including printing and publishing, journalism, ink production, and increased paper production. Furthermore, the indirect benefits of the press contributed to more widespread and democratic education, which in turn led to even more jobs and industries. It may have put a handful of copyists out of work, but the net effect was a dramatic increase in production, jobs, industries, and outlets for human creativity and ingenuity.

In our society, there is a similar outcry against jobs lost to outsourcing and innovation. What many who bewail these trends fail to realize is that *precisely because of innovation* outsourcing can create more and better jobs than those that are lost. Russell Roberts, an economics professor at George Mason University and a research fellow at Stanford University's Hoover Institute, confirms that

> . . . imports don't destroy jobs. They destroy jobs in certain industries. But because trade allows us to buy goods [and services] more cheaply than we otherwise could, resources are freed up to expand existing opportunities and to create new ones. That's why we trade—to leverage the skills of others who can produce things more effectively than we can, freeing us to make things we otherwise wouldn't be able to afford. The United States has run a merchandise trade deficit every year since 1976. It has also added more than 50 million jobs during that time. ("Why We Trade," November 2007, www.foreignpolicy.com)

On the level of our day-to-day lives, the inexhaustible supply of human ingenuity means that we're never truly trapped in a problematic situation, only that we haven't yet found the best solution. It means we can always find a way to make the money we need to make to be happy and prosperous, and that the resources and material goods we already have can probably provide more value to us than we may expect at first. At the heart of abundance is a belief in human ingenuity and human value, and a dedication to applying as much of our own value and ingenuity as we can to improve our societies and reap the rewards.

Regardless of the changing availability of any other service or substance, human ingenuity remains the one most important resource. Ideas are not and will never be scarce—and ideas lead to innovation, which leads to increased efficiency and the ability to use resources in ways that were previously unimaginable, as well as the creation of new and better resources. Human ingenuity is like a piano: although there are a finite number of keys on a piano, there are infinite ways to combine the notes they play to create music. While many scientists observe the seemingly finite nature of material resources, they fail to realize the infinite abundance that arises when human creativity is applied to scarce resources.

Quality of Life vs. Quantity of Stuff

When we understand that people, not things, are the real assets, we naturally stop placing so much value on material goods. We diminish the tendency to base our sense of self-worth on how much stuff we have. We find more happiness in relationships than we do in homes, cars, and boats. We realize that prosperity is more a state of mind than it is columns of numbers on paper.

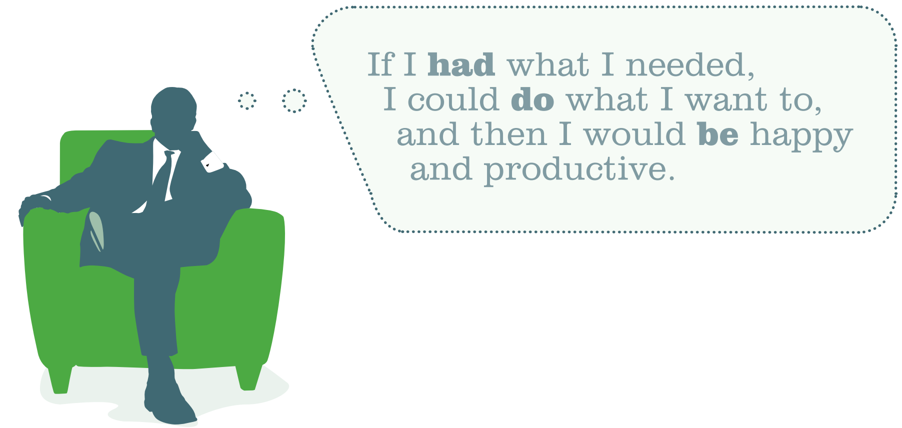
> What you leave behind is not what is engraved in stone monuments, but what is woven into the lives of others.
>
> —**Pericles**

Our quality of life is closely tied to our level of financial freedom. I define financial freedom as the choice that money will no longer be the primary factor in our decision-making processes. This doesn't mean that it's not *a* factor—it's just not the main factor. This is the point at which we scrub phrases like, "I can't afford it" from our vocabulary. This is where we commit to no longer let our money rule us, but rather, to govern our money. According to this definition, every person reading this book can become financially free immediately. What it takes is commitment—not interest, but a committed choice.

When we become mentally free, this internal freedom is reflected in our external, physical world. Our material wealth becomes a mere reflection of our abundance perspective.

What I'm talking about is a three-part formula: our beliefs determine our behavior, and our behavior determines our results. Another way to state this is "Be-Do-Have." Most people put these in the exact opposite order, as in "Have-Do-Be." People think that if they could just *have* more, then they would *do* the right things, and then they would *be* who they want to be. But abundance works in the opposite order: If we want to *have* more, then we should start by *being* better people; in order to be better, we start *doing* better things, which leads to having more of what we want. When we become who we were born to be—or, in other words, start living our Soul Purpose—every resource imaginable becomes available to fulfill our mission.

If we want to prosper, we must learn that happiness does not come from material things. We must become aware that happiness comes from inside



ourselves; nothing external can dictate our lasting happiness. Taking responsibility for and shaping our beliefs and habits is the first step toward happiness and prosperity. The irony is that the healthier our beliefs are, the more material and spiritual prosperity we will experience.

> All external changes in the forms of life, not having a change of consciousness at their base, do not improve the condition of the people, but generally make it worse . . . A better life can only come when the consciousness of men is altered for the better; and therefore all the efforts of those who wish to improve life should be directed to changing their own and other people's consciousness.
>
> —**Leo Tolstoy**

Competition + Cooperation

Scarcity results in a competitive approach to economics and personal finances. If resources are limited, if there's only so much wealth to go around, and another's gain results in my loss, then I must compete with that person for all available resources. Adversarial competition results in hoarding and mismanagement of resources. If another's gain represents my loss, then I must strive to be the winner in every transaction. I must view every other person as a threat to my prosperity.

This type of thinking limits our financial potential because we frequently miss or reject the opportunities that could result from cooperation and sharing with others. The opposite of competition is, of course, cooperation and interdependence. When individuals bring unique skills and talents to a combined project, the total value of that project increases at a greater rate than the individual value each of those people contributed. Through the synergy created by sharing and exchanging our full human potential, everyone benefits and becomes far wealthier than if they were to hoard their talents and energy to themselves. (This energy, talent, and potential is what I call *human life value*, and I'll explain more about it throughout the book.) This is the type of thinking Dr. Ivan Misner has used to create Business Networking International (bni.com), the largest business networking organization in the world. BNI creates an abundant-minded atmosphere where individuals understand that cooperation and exchange are prerequisites for success.

When we are in scarcity mode, we are faced with many dilemmas, one of them being that if resources are scarce and material things have static, intrinsic value, then every transaction is a win for one person and a loss for another. By definition, according to the scarcity paradigm, no person can ever engage in a win-win transaction. If resources are so scarce, the dilemma becomes, "If I want to be happy, I must do it at the expense of the happiness of other people, and if I want to be moral, I must sacrifice my own happiness to do so."

The abundance paradigm helps us to see the possibility of and the value in win-win exchanges and transactions. People who are operating in abundance know that by serving the wants and needs of others, and thus creating happiness in the lives of others, they actually bring more happiness to themselves. The goal is to serve others, not to exploit or dominate them. They are able to serve wholeheartedly and completely because they know that by so doing, they aren't in any way diminishing their own happiness; in fact, they are generating *more* happiness and success in their own lives.

In an abundance paradigm, we fulfill our needs and wants by helping others fulfill their own; transactions are always win-win. In abundance, all of our thoughts, words, emotions, and actions are motivated by contributing to our personal success and the success of others. In abundance, no one is jealous or envious of another's money; there is infinite wealth to be created and put to use.

People who are committed to free enterprise, entrepreneurs who deeply understand abundance, don't operate a business in order to put another institution out of business and give their customers no alternative. They bring products and services to the market in order to serve others. They understand that it is in their best interest to serve others. They believe in efficient and effective service. They know that there are limitless opportunities to serve and to create wealth. They know that through abundance *everyone* can win and that each of us can have our individual desires satisfied without harming other people. Free enterprise is about excellence and unique offerings, not about destroying competition (although there are certainly many misguided individuals out there who have given free markets a bad name). The more people who understand this and become true creators of free enterprise, the easier it becomes for free-market businesses to succeed through cooperation.

I learned the value of cooperation early on in my career. I moved from a small town in Utah to Salt Lake City to expand my financial services practice, but I was worried about how I was going to build a career and make it work because I didn't know anyone there. Fortunately, Dee Randall, an insurance agent, had heard about the many financial courses I had been taking, and asked me if I would come and present to his agency. I did, and after the event three agents asked me to help them with clients. This led to a lot of joint work with other agents (the year after I graduated from college I made $133,000), and an idea.

My idea was to start a regular training course for agents. I immediately had several people tell me that it was a big mistake, that I was training my competition. But I knew it was right so I persisted. I started teaching about a hundred agents on a regular basis in what I called the "Mission-Driven Forum." Although I was brand new to the area, my business exploded, and I started receiving more referrals than I could handle. I went from making $133,000 one year to $450,000 the next, all because I did what many people thought didn't make sense: I cooperated with my competition, and the result was more business for all of us.

The free market inherently tends toward abundance, not scarcity. This is due to the principles of exchange, cooperation, and innovation, among others. Abundance creates opportunities; it doesn't destroy them. If a business fails in a free market it is because customers are being served more efficiently and effectively elsewhere, not because the business somehow "lost." This actually becomes an opportunity for a business to learn how to serve others better, which is exactly how successful people and businesses handle temporary failure. Successful entrepreneurs view temporary setbacks as steppingstones to success, allowing for increased knowledge and thus greater ability to succeed; in other words, temporary failures are part of the market research process.

YOU KNOW YOU'RE IN ABUNDANCE WHEN . . .

Your primary focus in life is to lift, serve, and bless the lives of others.

You feel happy when others succeed—even those who may be viewed as your competition—and you never feel threatened by others.

You feel satisfied, complete, joyful, and calm.

The purchases you make align with your core values.

Your investments are wise; you're not naïve, nor are you overly skeptical. You perform wise, patient research and make an educated decision.

Rather than saying "I can't afford it," you ask, "*How* can I afford it?"

You consistently overcome fear, through faith and courage, to pursue your dreams and a career that aligns with your passion and purpose.

You're able to work with others to achieve things that you couldn't do alone.

You take full responsibility for your life and your work and use your internal strength to overcome all challenges and transcend external circumstances.

Throughout my career, I've had the benefit of witnessing firsthand the hold that scarcity can have on people's lives, and then the empowering

change that occurs when they make the transition to thinking abundantly. One couple that I've had the privilege of working with, Ben and Heather Corrales, told me of their struggles with scarcity. They always felt paranoid about finances and were always focused on worrying about the lack of money in their lives. They thought that no opportunities would come their way, and that opportunities were a product of luck, rather than factors that they had control over. Even when they found opportunities, they analyzed them through the eyes of scarcity, and so they developed a "too good to be true" mentality and were afraid to act.

When they started educating and investing in themselves, I watched a significant transition occur. They experienced the paradigm shift, embraced abundance, and began viewing the world through entirely new eyes. Where all they saw was lack before, now they were seeing multiple opportunities. More important, they realized that they had the ability to control the productivity of their opportunities through their own education. They started reading and studying more. They found and began utilizing resources that were previously unavailable to them. Now when they choose to engage in an opportunity, they do it not because of how much money it will make, but because it aligns with their purposes and unique abilities. The time spent worrying when they were in scarcity is now time that they spend increasing their knowledge and productivity; they've learned to reduce their fear through education and the abundance mindset. In just a short time, they felt liberated. Money no longer dictates their lives or provides the primary motivation for their actions, and yet they make more money in safer ways.

Though it is perhaps easiest to see the financial and relationship benefits of an abundance mindset, the power of this way of thinking extends to all aspects of life. I also have the privilege of working with some spectacular individuals who have overcome challenges by embracing the freedom of abundance. One associate in particular, Anthony Andelin, discovered abundance after an agonizing car accident when he was twenty-one. On the way to a movie with friends, the car he was in was broadsided, leaving Anthony with a broken sternum, a broken pelvis, two broken ribs, and a separated shoulder. In the hospital, he was told that he might not walk again.

Anthony says that he quickly fell into scarcity, overwhelmed with thoughts and feelings about all the things he would miss out on in life, all the things he wouldn't be able to do. Then, at 3 A.M., as he lay wallowing in his perceived limitations, a thought entered his mind that completely changed his focus and outlook. He realized that his ability to walk again was dependent upon him, not on any doctor or other external factor. In the quiet hours of the night, Anthony made a decision that changed the course of his life. He decided that he would walk again, that he was responsible, and that he would live a productive life despite anything that happened to him.

Now, in spite of all evidence to the contrary, and after a formidable rehabilitation process, Anthony is able to do everything as before, with no limitations. He attests that it all came down to that one decision between scarcity and abundance, victimhood and heroism, that determined the outcome. Scarcity thinking told him to stop trying, to wallow in the pain, misery, and deprivation. But he knew that he was born for something greater. He understood his power as a creator, and he used that understanding to create his ideal life. Now he finds fulfillment in teaching others the same empowering truths: that abundance is the true nature of the universe and of human beings, and that we can be and do what we choose to be and do.

* * *

We were born to be creators and to make our lives extraordinary with the gifts we're given. By becoming consciously aware of our own nature, we can begin to let go of scarcity and fear and begin to accept and express abundance. As we begin to think abundantly, the changes in our thoughts and behavior are manifested externally. As James Allen wrote, "Men do not attract that which they *want*, but that which they *are*."

MYTH 2:

{ You're in It for the Long Haul }

Remember, if you are able to save just $100 a month and you faithfully transfer it to your nest egg, in forty years (compounded at the average S&P 500 rate of 10.2 percent) that little extra saving will be worth close to $700,000!

—**Richard Paul Evans**