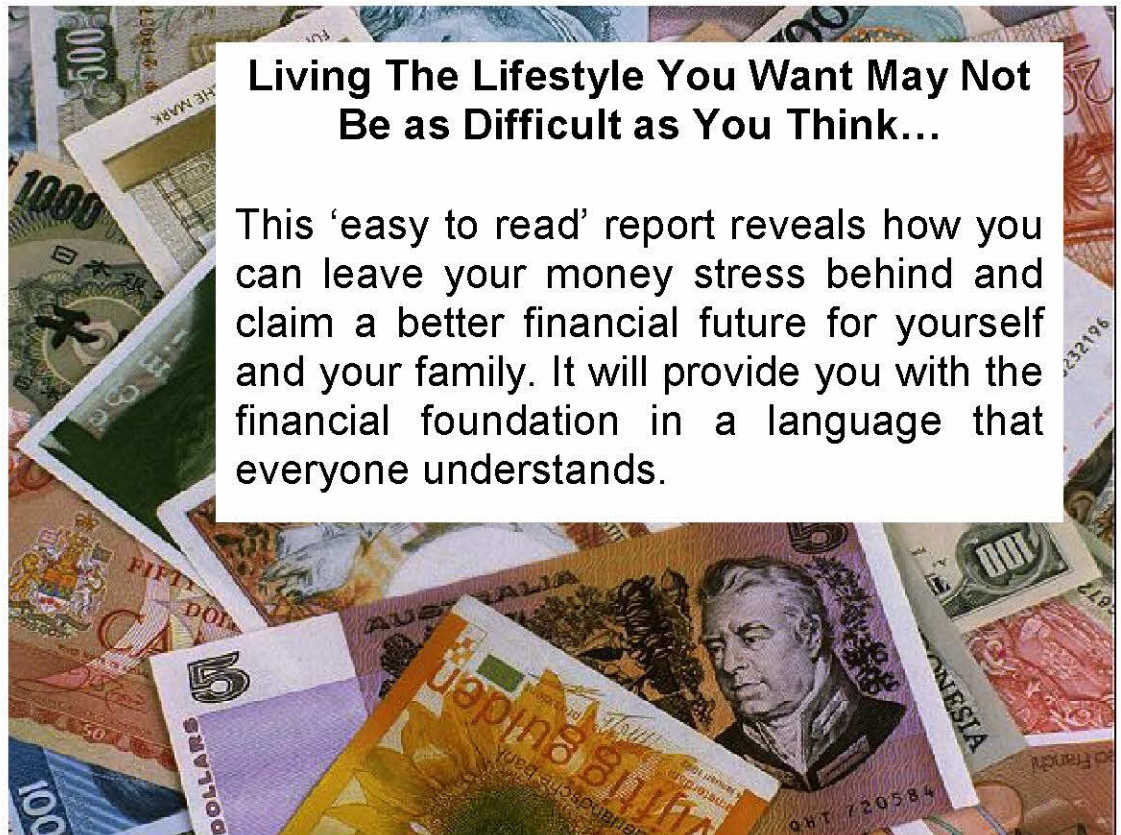


Seven Secrets to Dramatically Improve Your Finances

Living The Lifestyle You Want May Not Be as Difficult as You Think...

This 'easy to read' report reveals how you can leave your money stress behind and claim a better financial future for yourself and your family. It will provide you with the financial foundation in a language that everyone understands.



David Wright
Founder

The logo for 'Simply Budgets' features a stylized dollar sign (\$) in yellow and red, followed by the word 'Simply' in a bold, black, sans-serif font, and the word 'Budgets' in a larger, bold, black, sans-serif font below it.

What others have to say about David Wright...

David,

I just wanted to thank you for your hints and tips emails.. I have been reading them as they arrive and they have helped me a lot! They have made me think differently about my finances.

Because of them, I have a different mind-set about money and have steadily started to save for the first time in my life! - In the past, I would struggle from pay to pay, and spend every cent.

Thanks again (and keep up the good work!!).

Best Regards, D Nebe.

David,

Thanks for your newsy emails and hot tips!

You know, there is another fellow in the market selling his expertise in cash-flow positive property investing who literally calls himself "Australia's wealth coach".

However, I've got to say that in my opinion, you are the true 'wealth coach'. Some of the tips in your emails are easily enough for people to revolutionize the way they handle their money and incomes. It's really cutting edge stuff for most and I'm impressed with your service to the community.

Gregory J - Process Engineer.

Hello David,

I'm one of your many fans out there and I just wanted to say thank you for your tips and hints - they are helpful and insightful and your website is totally great too.

Thank you again for this great on-line service you have provided.

Kind Regards - M James.

David,

I just want to say thank you for your emails every week. Being a sole parent struggling on very little cash your budgeting tips have helped me enormously. Although I am not taking that well earned cruise just yet, I am certainly getting my finances back on track. Keep up the good work.

B. North, Carrum, Vic

Introduction



Hi there,

I'm David Wright.

I have written this report so you can see that anyone can learn how to become successful with money. This is not the end of the story though. The secrets contained in this report will get you started but you will need to become passionate in your pursuit of further information.

The secrets I give you are simple and logical, but for some reason many people never take the time to find out what they are let alone apply them. By reading this report and applying it to your life, you will place yourself at the top of the queue for achieving financial independence.

Please be aware that the Secrets revealed here are not exclusive and are not exhaustive. I included what I consider to be the key points. Get these right and you are on your way! Keep in mind that success with money is as much a journey as it is a destination.

This report is one of the many pieces I have written on managing money. Much more information is available at my web-site www.simplybudgets.com.au.

As a person who desires financial freedom you will be aware that there are many people out there claiming to have the secrets to eternal wealth through this method or that. I have been careful not to include any information about how to earn money but instead have deliberately focussed on giving powerful information about how to manage what you currently earn.

That's a lot easier than chasing the elusive 'pot of gold' – the next pay rise, a better paying job, winning the lotto and the list goes on.

Good Luck with applying these secrets to your life.

David Wright
Founder
Simply Budgets

About the Author

David Wright is the founder of **Simply Budgets**. He grew up on a small farm in central Queensland, Australia and after completing high school, spent five yrs training and working in a Metal Trade before deciding to change careers. He trained and became a Secondary School Teacher and for 20 yrs taught Industrial Design and technology at various schools in South East Queensland.

After reaching the top of the pay-scale as a school teacher David realized that nothing was going to improve financially unless he found a new and more effective way to manage his finances.

Driven by a desire to do better, David spent thousands of hours developing and fine-tuning a system to sort out his financial affairs. The system he developed worked so well he felt he just couldn't keep it to himself.

Built on real-life experiences, Simply Budgets has produced some amazing results in people's lives. It is based on sound financial principles that David accidentally rediscovered by approaching the subject from a totally different angle. It is this unique focus that makes Simply Budgets simple, different and very powerful.

David now markets the Simply Budgets system that allowed him to take control of his own family's finances and has helped thousands of other people to take control of their finances as well.

His story, advice, observations and system have been featured in magazines and newspapers such as **The Courier Mail, The Daily Telegraph, The Financial Review, PC Authority, The Sunday Mail, Money Magazine, Independent Financial Advisor** and various other publications.

His **Simply Budgets Money Hints and Tips** emails are continually helping people better understand how to take charge of their personal finances.

David has addressed audiences at seminars and expo's in various locations around Australia and New Zealand and in the United Kingdom and the USA. He travels widely teaching the Simply Budgets system with a goal to set up a network of finance industry professionals to further utilise his system helping people to take control of their finances.

David has appeared on Australian Television on Channel Nine's '**A Current Affair**' and '**Brisbane Extra**' and Channel Seven's '**Today Tonight**'. He has been interviewed on radio in Australia on stations such as **4BC, 4EB, 3AK, 5DN, 6PR** and the **ABC**. He has been interviewed in the USA on shows such as **Money TV, Business of Success** and **Wall Street in the Morning**.

The Simply Budgets software program has sold over 29,000 copies including orders from countries such as UK, USA, Canada, New Zealand, Chile, Denmark, Singapore, South Africa and New Guinea to mention a few.

He is happily married, has three children and enjoys restoring and riding classic motorcycles and playing piano and guitar.

Seven Secrets to Dramatically Improve Your Finances....

How many times have you decided it was time to make a change for the better with the state of your finances?

Perhaps you sat down with pen and paper to draw up a new plan. Maybe you used the computer. Perhaps you called a 'board meeting' with your spouse. How many times did it feel good for a week or so and then the same old problems just came back to haunt you?

The Secrets contained in this report will reveal all you need to know to understand exactly what to do to set yourself free from money worries and stress.

I have had over 12 years experience in helping others with their cash flow problems and many years before that researching and developing my system so you can be sure this report is based on a solid foundation.

The sad fact is; we all **want** to do the best that we can with our money, but "the best" that we achieve is often not as good as we'd like. I don't know about you, but I've never met anyone who deliberately placed him/herself in financial difficulty, but even so, I **have** met many people who have had (or are still having), financial difficulty of some kind.

The question that arises from this fact is, "If nobody wants to have money difficulties but most people have them, then surely there must be something missing in our education or our up-bringing. It can't possibly be that we're **all** stupid! If we can find what's missing, then we can solve the problem!

So, to find out what to do, we first need to look at what most people consider to be the cause of their problems. Then we can see if there is a common reason for our financial problems.

It's easy to solve a problem when you know what is causing it. For example, I imagine that a scientist who knows why cancer begins to form in someone's body has got a much better chance of finding out how to stop it from occurring than a scientist who does not. The same is true for "money cancer".

Here is a list of top 21 reasons why people have money problems (in no particular order).

- Accepting financial advice from a "friend".
- Acting on an impulse without getting all of the facts.
- Bad habits - e.g. drug, cigarette and alcohol abuse.
- Borrowing for things that lose value.
- Confusing "Short term pleasure" with "Long-Term satisfaction".
- Consistently spending all, or more than they earn.
- "Everyone else has got one" mentality.
- Failure to plan for the future.
- Failure to realise the best things in life are free.
- False justification. e.g. Buy a new car to save fuel when it might take 10 yrs to recover the cost (by which time the car is a wreck anyway).
- "I deserve it" mentality.

- Image. ("Cool" and "Fool" rhyme for a reason.)
- Lack of perseverance.
- Must have it now; can't wait till it's affordable.
- Re-financing multiple Credit Card debts and then keep using the cards!
- Spending on a "Promise" of income that never eventuates.
- Too busy to plan.
- Using income to buy "toys" rather than investments.
- Victim of clever marketing campaigns.
- Victim of "easy" finance arrangements.
- "You only live once" mentality.

There are many more possible reasons, but I think this list makes it clear that they all fall into a relatively small number of core categories:

- Lack of Emotional Intelligence
- Lack of Financial Information
- Lack of Self Discipline
- Lack of Time

Interestingly, if you were to **ask** a number of people what causes their money problems it's most likely they would NOT give you any of these reasons. It is more likely that they would say it was a **lack of income**; i.e. their boss doesn't pay them enough money for the work they do!

Without a doubt, maximising your earnings is an important part of reducing money troubles but unfortunately it is easier to spend money than it is to earn it. We also need to focus on how to make the most of what we **do** earn.

Think about this; surely there are people living near you who earn less than you do! If you are struggling with money, how are **they** surviving? If you're doing it tough, they must be going bankrupt! But many of these people are doing quite well! It's also a sure thing that there are people out there who earn **more** than you do but they are doing worse than you!

So, after considering all the above information it is time to look at the 7 Secrets that will make the difference in your finances.

SECRET 1: BECOME A MONEY EXPERT

This might look like a useless secret to start off with but stay with me and I will explain. You are probably reading this because you want to **be** a money expert and hoped this report would give the answers to becoming one!

What is the use of a Secret **telling** you to be one?

There are many so called 'Money Experts' who actually offer very limited value to the average person on the street looking for guidance. Time and time again I have heard 'Experts' giving their secrets on becoming wealthy. The first secret they always give is to 'Get a Budget'! The strange thing is that they never tell people how to do that! I doubt that any of them actually have a system they could offer people that would work, so the advice is really not worth much!

What is important to keep in mind is that no two people are alike. You will never find anyone who can teach you how to become a money expert by copying what they have done. You are different and think differently and have different strengths and weaknesses. You will have to become an expert in your own right using your own money personality! You need to learn from a number of experts and apply the

information to your own life in your own way. Then you create your own 'expert' identity.

As you apply the information included in this report and hungrily pursue knowledge of financial principles and practices from others you will grow toward becoming your own money expert. Very few people know how to manage money successfully so becoming an expert should be your primary goal.

Action:- Read '**The Road to Financial Freedom**' by Bodo Schaffer available at www.simplybudgets.com.au .

SECRET 2: SET TARGETS AND STICK TO THEM

Many people do not 'get' this. It is probably one of the most important secrets of all! When you are creating your spending plan you need to have targets (or limits) to work by. If you have no targets it's impossible to ever hit them and it's impossible to have a plan!

The amounts that you allow yourself for each of the expenses in your plan are like the building blocks for your wealth!

You set a target for spending on each of the areas in your life and then when you reach that target you stop spending!

Examples might be; I spend \$200 a week on groceries. I spend \$100 a week on fuel.

A lot of people will have a problem with this. How can you stop buying fuel when the car is empty and you need to get to work?

By measuring your resources carefully you should be able to set realistic spending targets and then if you use some care you should be able to make those amounts work for you.

Only **you** can decide the amounts that are appropriate targets for each of your expenses. Once you have chosen these amounts you must be prepared to own the consequences that go with them!

If you choose amounts that leave you with no money for investing then you must be prepared to accept the consequences! Furthermore, once you have set those targets you have two choices.

1. Stick to the targets regardless of what happens
2. Don't stick to the targets because something happened

If you think about 'fuel money' as an example you should consider the following as a way of clarifying the two options above.

If your car was damaged in an accident you **would** find a way to get to work that did not involve the use of your car while it is being repaired. You would have no other option. Somehow you would get to work!

If your car is out of fuel you have two options for getting to work. Buy some fuel even though you have already spent this week's allocation OR think about what you would have done if your car was in an accident and not available.

You may not like the example above and maybe I have been a little extreme in this example, but it makes the point. Where do you draw the line? You are the only one who can make that decision. Most people complain about the cost of living but their

cost of living is actually determined by their income! As their income goes up their expenses go up and the determination NOT to go beyond their targets comes down!

Set targets for your spending and then stick to those targets regardless of what is happening around you. If you were fined \$1,000 for a traffic offence you would reluctantly pay the fine. If you did not get the fine would you save \$1,000?

It comes down to how you deal with yourself and what you let yourself get away with as to how you succeed with this! This is the battleground where riches are won or lost!

Action:- Make a list of all the essential items you need to purchase over a yearly cycle and work out how much you are prepared to assign to each. Go to www.simplybudgets.com.au/free-gifts.html to download a list I have prepared for this purpose.

SECRET 3: KNOW WHAT YOU CAN AFFORD

You can't mess-up your financial future by earning too much, but you **can** mess it up by spending too much! (One of the strangest things about money – It's so hard to earn, but so easy to spend!) You need to know what you **can and can't** afford!

Have you ever experienced the feeling of excitement that comes over you when you see something you have wanted for a long time and suddenly there it is at a bargain price?

The problem most people have when this happens is knowing whether they can afford to make the purchase or not and many are seduced into spending money they can not afford to spend when something like this happens. One of the key reasons they do this is because they are not really sure if they can afford it or not.

You need to know what you can afford and what you can't afford or you will keep buying stuff you should say no to.

Many people don't know why they continually keep buying stuff they can't afford. They tend to brush the problem aside and make jokes about '**retail therapy**'. They say that they are hopeless at budgeting but the fact is that this is not the issue at all. **They are actually acting in ignorance and using that as an excuse.**

So, to become wealthy you need to know what you can and can't afford and act accordingly. When you do this you will no longer suffer from the problem of going round in circles aimlessly with your finances.

I already indicated that lack of self-discipline is one of the factors that cause people's money problems. Many people will claim that this is why they overspend. However, when someone claims self discipline is their problem they do not realise what they are saying.

By using lack of self discipline as an excuse for poor money management you are actually saying "I spend money when I know I shouldn't".

I have a question; **How many people actually know when they have too much money in the bank and can afford to spend as they please?**

It is clear that self discipline is not really the issue at all!

By always knowing what you **can and can't** afford to spend you stop this excuse dead in its tracks.

You won't have to rely on feelings ever again. No more "I feel like I've spent enough money for one day so I'll go home!" You won't stop shopping because your savings

account ran dry and your credit card filled up. You will have total control! Lack of self discipline will not be your excuse ever again.

To make this clearer still; at the moment, when something catches your eye and you suddenly feel a rush of adrenalin that says to you, "I'm excited about the possibility that I might buy this thing". "I'd really like to buy it and I think I just might be able to have it now"! Your emotions begin to take hold of you.

What information do you have that you can use to help make the decision to stay and pay or to walk away? Shouldn't you be rational? What information do you have that could possibly help you make the right decision?

You currently have two pieces of information available to you!

1. What is your per-pay income?
2. What is your current financial position? – i.e. Do you have enough money in your purse/wallet/savings account/credit card or could you borrow the money some way?

My experience has proven to me that this is not enough information to make a decision. Considering it is the only information millions of financially dissatisfied people use, it is clear that the big issue really is **'knowing what you can afford before you go shopping'**.

By the way, this does not mean that checking your bank balance a few minutes before you leave to go to the shops on the week-end is a bad idea! It is actually a great idea, but you must know what your bank balance NEEDS to be so you actually know when you have spare money and when you do not!

The amounts you set as your spending targets from 'Secret Number 2' will allow you to do the sums to achieve what I am suggesting here.

Action:- Use your target amounts to calculate the total amount required to live for a year. You will then know how much you can afford to spend outside those targets.

SECRET 4: CREATE A SPENDING PLAN

This sounds like a more exciting secret. A spending plan! Most people can get excited about the thought of doing a bit of spending however the key word here is 'Plan', not 'Spending'.

You need a plan to follow that will lead you to your desired destination.

Very few people accidentally achieve what it is that they aspire to. Wealth does not arrive by accident. If it does it departs by accident as well!

You need to have a plan that shows how much you will spend, when you will spend it, what you will spend it on and why. This might sound like it is 'way over the top' but it is essential.

It sounds like a lot of hard work. There is no doubt that it does require time spent systematically looking at the expenses you pay on a regular basis and then going through a process that chronologically lays them out before you in such a way that you can find your bank balance's 'worst day of the year' before you arrive there.

When you know the date of your lowest point for the year you can work backwards to the present to make sure you avoid having bills to pay and no money to pay them with.

I would not have achieved financial success if I had not done what I have described above. It is the KEY secret that brings all the other secrets together.

I originally used a calendar and a calculator, marking all my expenses on the calendar to create my spending plan. This was cumbersome but it worked. There are now ways you can simplify the process of creating your spending plan. Check out my Simply Budgets System – it will simplify this whole process for you.

Action:- Use your target amounts to create a spending plan. This will also allow you to know what you can afford.

SECRET 5: 'MORE' WILL NEVER BE 'ENOUGH'

I stated earlier that for many people, their cost of living is determined by their income. If their income goes up, their cost of living goes up automatically without notice. I am aware of two people whose annual income exceeds \$500,000 and neither owns their home or car and both are struggling to manage their lives and their finances from week to week. That sounds astounding but you'd be surprised how often I see this scenario played out.

I have been looking at people's budgets for a number of years now and what I have noticed is that no matter how much income a person or family has, it is never enough! I am constantly amazed at how this happens. One family with a \$50k income will be struggling to make ends meet and the family down the street on \$100k income will be in just as much pain.

Almost everyone is 'between a rock and hard place' when it comes to money! Human nature causes us to want bigger, better and more. We push the boundaries as far as we can but then when we come to the point where we wish we had not pushed so hard and decide to release some of the pressure, we find we can not go back. We are committed to repayments or contracts and getting out of them requires that we take an ugly step backwards! Something we do not want to do.

Every human being could easily spend more than they earn. Accept the fact that you will never get to the point where you can not imagine 'more'. For example, you could buy a better house, a better car, learn to fly, buy an island, build a resort, fly into outer space... No matter where you are at you can see the next level. When you get there the next level looks equally as attractive. We become bored with the level we are on and we aspire to more!

Here is the secret to this secret.

When you can treat money like you treat air or water you have made the necessary change that will take you to the place where you can grow wealth rather than destroy it. Money is just stuff! Air is all around us and we need air but we don't go around hoarding it in case we run out.

Like air, money is all around us and there is an abundance of it. People who have wealth understand this. People who don't, do not!

If you see money in your bank account and you MUST spend it you are a **consumer**. If you see money in your bank account and it has no effect on your heart rate then you have promoted yourself to a higher level, one where you can become financially secure.

Money does not equate to happiness. As the song says, 'the best things in life are free'. When you are lying on your death bed looking back on your life, it will not be money that dominates your fondest memories. It will be time spent with loved ones; picnics in the park, fun times playing with children and grandchildren, meaningful words that were said, people you helped, tough times you shared.

The sooner you get your head around the fact that 'more' will never be 'enough' the sooner you can treat money as a tool to use in the game of financial success!

Action:- Focus on enjoying the journey of becoming wealthy not the destination. Practice saying "no" to things you do not REALLY need and find ways to fill the gap created with things that will become your fondest memories.

SECRET 6: PLAN FOR 'LATER' SOONER

The majority of expenses we have to pay in life are in our face every week, fortnight or month. Certainly within a yearly cycle we experience almost all of the expenses we like to call 'Bills'.

However, when your television set or your refrigerator dies and you need to find a large amount of money to replace it in a hurry you realize that you have some semi-predictable 'long term' expenses that are a major financial problem when they occur unless you have planned for them in advance.

To make this really easy to understand I will use an example.

A brand new \$1000 refrigerator that you expect to have good service from till it is 10 years old costs approx **\$2** a week ($\$2 \times 50\text{weeks} \times 10 \text{ years}$).

A 5 year old \$1000 refrigerator that you expect to have good service from till it is 10 years old costs approx **\$4** a week ($\$4 \times 50\text{weeks} \times 5 \text{ years}$). Double the amount!

A 9 year old \$1000 refrigerator that you expect to have good service from till it is 10 years old costs approx **\$20** a week ($\$20 \times 50\text{weeks} \times 1 \text{ year}$). 10 times the amount!

The sooner you start saving for these longer term expenses the less it will cost you each week! Delaying will cause you more burdens and more stress.

The alternative is having to purchase these necessities using Credit Cards or finance deals with high interest rates that will cripple you.

Plan for 'later' sooner!

Action:- Identify the items in your house that will need replacing over a longer period of time and calculate their replacement cost over their life cycle. Start saving!

SECRET 7: REMOVE EMOTIONS FROM YOUR FINANCES

Stand with a young child outside a pet shop for 1 minute and see what happens. There is certainly going to be financial pressure applied; "Can I have that puppy?"

Many people cannot make rational financial decisions because they confuse emotional desires with real needs. Acting on all of the secrets I have given above will ensure that you are well equipped to **say no to 'emotionally induced poverty'**.

There are a number of emotional issues that impact on our finances but here are a few that you should work on first.

1. Feeling like you can't say "no" to your children.

During 20 years employed as a school teacher I saw many teenagers who 'had issues' with their parents. In the majority of these cases it was because they had been given too much material 'stuff' not too little! Time and love far outweigh STUFF when it comes to value so save your money.

2. Work on your relationship with your spouse because a quick way to go broke is to go through a divorce! Emotional trauma leads to financial trauma and the lawyers will enjoy the melt-down leaving you to start from scratch all over again.

3. Learn what your weaknesses are around money and then put systems in place to short circuit those weaknesses. For example, if money burns a hole in your pocket, don't carry any more money than you have allowed yourself as pocket money for the week.

If you identify your weaknesses and then make rules for yourself you can remove much of your emotional 'self sabotage'.

The rule that you 'never purchase anything over \$100 on the first encounter' could save you thousands of dollars and much heartache. If your rule says that 'you MUST go home and go back to the store the next day to make the purchase' then you have given yourself a way of avoiding purchases made purely on emotions. You will be able to think rationally before you act.

If you prepare a spending plan as suggested in Secret #4 then you will give yourself immense leverage in this area.

AND FINALLY...

I have given you many pearls of financial wisdom here. Some people will not recognise them first time round. I recommend you read this report a number of times until you understand what it is saying and you know what it is saying so well you could have written it yourself.

Financial health is a journey not a destination and you must enjoy the journey. Too many people are so focussed on the destination that they miss the pleasures of life along the way. The common cause of this problem is financial stress! If you take action on the 7 Secrets I have presented you will reduce the amount of your financial stress you encounter dramatically. You will be setting yourself up for a healthy financial life!

Action:- There is much more where this came from!

Visit www.simplybudgets.com.au to subscribe to the regular 'Money Hints and Tips' e-mail series I publish regularly.