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I WILL TEACH YOU TO BE RICH

SECOND EDITION

[redacted]

"The New Finance Guru"
—FORTUNE

No Guilt.
No Excuses.
No BS.
Just a
6-Week
Program
That Works

Additional Praise for Ramit Sethi and *I Will Teach You to Be Rich*

"Ramit Sethi is a rising star in the world of personal finance writing . . . one singularly attuned to the sensibilities of his generation. . . . His style is part frat boy and part Silicon Valley geek, with a little bit of San Francisco hipster thrown in."

—SAN FRANCISCO CHRONICLE

"… one of our favorite personal finance sites."

—LIFEHACKER

"The easiest way to get rich is to inherit. This is the second best way—knowledge and some discipline. If you're bold enough to do the right thing, Ramit will show you how. Highly recommended."

—SETH GODIN, *AUTHOR OF THIS IS MARKETING*

"The common perception about personal finance books is that the advice is loaded with technical terms and jargon. On this front, *I Will Teach You to Be Rich* comes as a complete surprise. It is written in an extremely breezy style, but it doesn't mean that it contains frivolous advice. On the contrary, it packs useful information for beginners on how they can manage their money."

—ECONOMIC TIMES

"… particularly appealing to the younger generation with its easy-to-read, no-holds-barred language."

—BUSINESS INSIDER

Real Reader Results

Ramit’s teaching that frugality isn’t about “spending nothing” but rather about spending extravagantly on the things we love changed our outlook on life. My wife and I retired from full-time work at ages 33 and 35, respectively, and adventure around the country in an Airstream RV. We wake up every morning excited and energetic because we control every minute of our day.”

—**STEVE ADCOCK**

“When I was 30, I had no 401k and a student loan of $16,000. Now I’m 35, I have no student-loan debt, a healthy 401k, an IRA, an additional investment account, and one secured credit card which I use to pay my monthly bills. I used IWT to do all of this and now spend most of my money on what I love, which is my kids, food, and ebooks.”

—**ARIEL STEWART**

“Since implementing a fully automated system in 2011, my net worth went from zero to close to $450k. I never have to worry about money—I have enough for bills, any indulgence, and maxing out retirement accounts (Roth and 401k).”

—**ROSS FLETCHER**

"I read your book in 2010 when I was a 25-year-old executive assistant at a tiny book publisher making $28,000. I'm now leading a full team of writers in San Francisco and making $155,000."

—CLAIRE PEACOCK

"After reading your book, I negotiated a $175 monthly reduction in apartment rent by offering a long-term extended lease and putting the apartment as a preferred vendor. Landlord agreed immediately, and that saved me over $3,500!"

—SAMEER DESAI

"I've got over $100,000 growing for retirement, $8,000 in the personal investment account, and have next year's Roth contribution already set aside in an interest-bearing account."

—DAVID CHAMBERS

"I used the advice from IWT to set up my Schwab IRA, a personal investment account, and a checking account prior to starting my first job when I was 24.

I'm now 30 and have over $300k saved between my personal investment account, 401k, and IRA."

—HILARY BUUCK

"At first your chapter on debt freaked me out—you can't just get out of debt so fast! Then I realized making more money was not scary or daunting, but very doable. I went from making around $4,000 a month to $8,000 a month from my company. I had 4,500 in debt that is now down to $900 (soon it'll be at $0)."

—REENA BHANSALI

"I've used the IWT principles to pay down $40,000 in debt inside two years by negotiating a raise and taking on my first side-gig projects with the "1K on the Side" project. And with the automation principles, and paying ourselves first, my wife and I built close to $200,000 in savings in the last two years."

—SEAN WILKINS

"I took this book on a Caribbean cruise and couldn't put it down. It led me to getting a $20,000 salary increase in my day job and starting a side business as a career coach, earning thousands each month. It helped me negotiate down bills and fees, increase my credit limit, grow a healthy retirement fund and savings, and fundamentally change my mindset about earning money."

—MARY GRACE GARDNER

“I went from having nothing in my investment accounts to having over $55,000 to date.”

—ALEX CRAIG

“I didn’t have any credit card debt so I was able to implement the whole book in about three weeks. After that, I kind of forgot about it. Eight years later I was worth close to $200,000 with no debt as a retail employee.”

—DANIEL LEE REIFENBERGER

“I changed my student loans from 20-year loans to 10-year loans. I had no idea the difference, and it ended up saving me over $10k ...... Just by paying an extra $50 a month.”

—LYLA NUTT

“When I was 25, I had $8,500 of credit card debt, and $3,000 of other debt. IWT gave me the manageable steps to get out of my hole, better use my credit cards, not live check to check, pay off what I owed, and start saving. At 28, I have $50,000 in savings, am debt-free, have automated my finances, and I am going to buy a house this year.”

—ALLISON REYNOLDS

"In four years after I read IWT, I've saved $40,000 using dollar cost averaging to contribute to my $20,000 index tracking fund. I received one promotion and four raises, increasing my earning potential by 70 percent :)"

—BEVAN HIRST

"Without the book, I wouldn't have started my retirement account. It showed me what to open and how to use systems to automatically save my money for future purchases. So far I have $40,000+ in retirement by maxing out my Roth every year."

—JAMES MONROE ŜTEVKO

"I was 25 when I read the book. I had a crappy job, very little savings, and even less of a clue what to do with my money. I implemented IWT systems and I got a new job (with a 20 percent raise) at a company where I've flourished for the past five years. I have $100,000 in my retirement accounts and six months' salary in an emergency account, along with other savings for various goals."

—SHEILA MASTERSON

“Before, I felt guilty because at 37 I should have had my stuff together. Now everything is completely automated. I feel more confident and can spend guilt-free with the money left over. Since reading your book, I maxed out my Roth IRA, made a $7,000 emergency savings account, have a growing investment account, and have multiple accounts for special purchases.”

—QUINN ZEDA

I WILL TEACH YOU TO BE RICH

No Guilt. No Excuses. No BS.

Just a 6-Week Program That Works

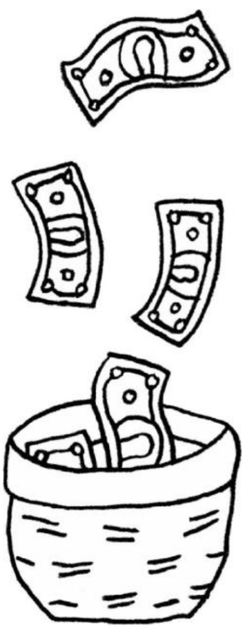
RAMIT SETHI

SECOND EDITION

WORKMAN PUBLISHING
NEW YORK

To my wife, Cassandra.
You’re the best part of every day.

Contents




FIVE HUNDRED DOLLARS
500
500

AN OPEN LETTER TO NEW READERS

If you listened to all the internet influencers telling you the things you "need" to do every morning, here's what your day would look like:

4:00 a.m. wake up

4:01 a.m. meditate

5:00 a.m. drink 37 gallons of water

5:33 a.m. gratitude journal

10:45 a.m. eat (keto only)

11:00 a.m. track every penny of spending from the last 16 years

11:01 a.m. die

I dunno, guys. I prefer advice that actually works. And when I took a hard look at the advice I gave in this book a decade ago, I realized one thing: I was right.

If you bought this book ten years ago and followed the exact advice in it, here's what you would have accomplished by now.

- If you had invested just $100/month, that $12,000 would have turned into over $20,000 (The S&P 500 averaged around 13 percent annually over the last decade.)
- If you had aggressively invested $1,000/month, that $120,000 you contributed would have grown to more than $200,000.
- You would be spending less than 90 minutes per month on your money.
- You would have been able to take multiple vacations and fly business class —completely free—using credit card points.
- Money would have gone from a source of anxiety and confusion to one of calm and possibility.

As you'll see in this book, I do things differently than typical money "experts." I won't lecture you about cutting back on lattes (buy as many as you want). I won't try to convince you to keep a budget (I have a better method). And one more thing: I'm a real guy. I post on Instagram and Twitter (@ramit) and I write for millions of people on my blog and newsletter almost every day (iwillteachyoutoberich.com). So let's start off doing something different: I want to hear from you. Really! Send me an email (ramit.sethi@iwillteachyoutoberich.com, subject: new book reader) and tell me two things:

1. What made you decide to take control of your money today?

2. What does your Rich Life look like? (Please be specific!)

I read every email and I try to respond to as many as possible.

What has *I Will Teach You to Be Rich* allowed you to do?

One of my greatest joys is hearing from you about how you've applied my material to change your life. I asked some of my readers to share their results.

I paid off $10,000 in credit card debt that I accumulated while unemployed, bought a condo in San Francisco, and am now debt-free and building my retirement funds.

—JULIANA BRODSKY, 38

I have $200,000 in retirement savings and countless vacations paid for by creating specific savings accounts for them; it's hard to put a specific number on that.

—KYLE SLATTERY, 30

I travel internationally for a month 1 or 2 times a year. Last year it was South Africa; this year, Korea.

—ESLI LIGAYA, 34

The Rich Life is about freedom. In my case it allowed me to take 9 months off work and travel throughout Argentina, Colombia, and the US. And now it's allowing my wife to take a 6-month break from work to figure out what's next.

—SEAN WILKINS, 39

We were able to put three children into private school on one full-time income.

—**BRYAN DILBERT, 32**

All that said, I'll admit that I wasn't perfect. Ten years ago, I made three mistakes when writing the first edition of this book.

My first mistake was that I didn't cover the emotions around money. I spent time covering the nuts and bolts of personal finance—I gave you the perfect word-for-word scripts to get late fees waived, the exact asset allocation I use for investing, and even how to manage money with your partner—but if you don't tackle your invisible money scripts, none of it matters.

Invisible scripts are the messages you've absorbed from your parents and society that guide your decisions for decades—and often without even being aware of it. Do any of these sound familiar?

- "You're throwing your money away on rent."
- "We don't talk about money in this house."
- "Credit cards are a scam."
- "Stop spending money on lattes."
- "Money changes people."
- "You don't get that level of wealth without making a few shady deals here and there."
- "The stock market is gambling."
- "Student loans are a scam."

In this edition, I'll show you what the most insidious, powerful invisible money scripts are—and how to beat them.

The second mistake I made was being too overbearing. The truth is, you can choose what your Rich Life is *and* how you get there. In the original book, I did write about the different definitions of a Rich Life, but I didn't acknowledge that we might take *different routes* to get there.

For example, your Rich Life might be to live in Manhattan. It might be to ski forty days a year in Utah, or to save and buy a house with a huge yard for your kids, or to fund an elementary school in Croatia. That's your choice.

But how you get there is *also* your choice. Some people choose the traditional route of saving 10 percent, investing 10 percent, and slowly working their way to a comfortable Rich Life. Others save 50 percent of their income and quickly reach the “crossover point” where their investments pay for their life—forever. (This is called “FIRE,” or Financial Independence, Retire Early.)

You choose your Rich Life. And in this edition, I want to show you different ways to get there. To do that, I’ve included lots of examples of people who took unconventional routes to create their Rich Lives.

Finally, the third mistake. Let me just say that I’ve messed up quite a few things in my life: I’ve hired and fired the wrong people. I ruined my chance at a TED talk by walking into the meeting unprepared. I was six feet and 127 pounds into my mid-twenties, looking like a hairy Indian Gumby. But nothing compares to my worst mistake of all:

Writing the actual interest rates of banks in the original edition of this book.

Here’s what I wrote back then:

“Online banks pay a higher interest rate for savings accounts—about 2.5 to 5 percent, which would produce $25 to $50 interest per year on that $1,000, compared with $5 per year on the Big Bank savings account.”

The information was right . . . at the time. The problem is, interest rates change, which I forgot to mention. And in the years after the first edition was published, they dropped—from 5 percent to 0.5 percent. I assumed people would run the numbers and realize that the interest rate doesn’t really matter much. For example, on a $5,000 balance, that means your monthly interest dropped from $21 to $2. In the grand scheme, not that big of a deal.

But when facing lower interest rates on savings accounts, readers got mad—really mad. And they took their anger out on me. Here are a few emails I got:

- “This book is a scam. Where are the 5% interest rates you talk about??”
- “What bank has 3% interest rates??”
- “Subj: WHERE ARE THE BANKS U WROTE ABOUT”

For the last ten years, I’ve gotten over twenty of these emails every single day. Never again. See my favorite banks. But not their interest rates. WHICH WILL CHANGE, GUYS. In this edition, I’ve corrected these mistakes. And I’ve added new material.

1. New tools, new investment options, and new approaches to money. If you want to get more aggressive about investing, I’ll show you how. What do I think about robo-advisors? I’ll tell you. And what about pre-nups? I share my thoughts.

2. New money scenarios you'll confront. How do you handle relationships and money? I've added new material. Once your financial system is set up, I want you to know what to focus on next. And finally, if you know people who complain about politics and baby boomers to explain why they can't pay off their debt and get ahead, they should read my thoughts on victim culture.

3. Incredible stories from other IWT readers. I've included tons of new examples, including inspirational success stories from all different kinds of people: men and women in their twenties, thirties, forties, and fifties; people who started from nothing and people who built on success to grow even more. Plus, gut-wrenching stories about people who procrastinated on implementing the material in this book—and what it cost them.

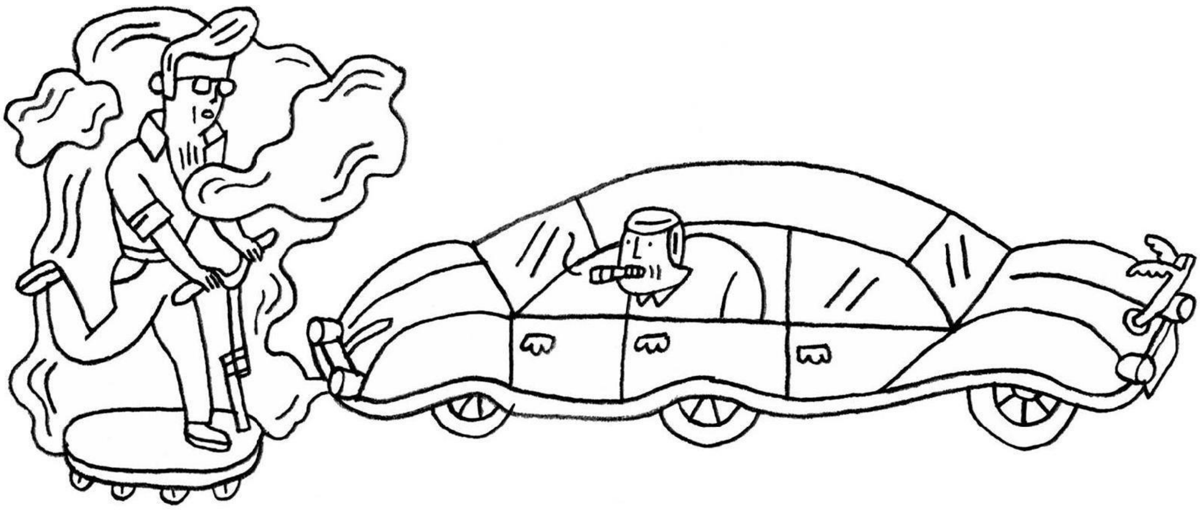
I added new material where appropriate, but I preserved techniques that continue to work. Many people want "new" advice—but the value in this book doesn't come from novelty; it comes from usefulness.

In ten years, I've also changed. I've gotten married, I've grown my business, and I've learned more about money and psychology. Now I get the chance to share what I've learned with you. Amidst the noise, the hype, the apps of the day, the IWT personal finance system *works*. Long-term, low-cost investing *works*. Automation *works*. Use this book to create your own Rich Life, just like thousands of others have.

—Ramit Sethi

INTRODUCTION

WOULD YOU RATHER BE SEXY OR RICH?



I've always wondered why so many people gain weight after college. I'm not talking about people with medical disorders, but regular people who were slim in college and vowed that they would "never, ever" let that happen to them. Yet, little by little, most Americans gain an unhealthy amount of weight.

In the ten years since I wrote my book, weight and health have become such controversial topics that I was advised to delete my references to them. But after my own journeys with nutrition, fitness, and money, I now believe even more in the connections between them—and that you can take control.

Weight gain doesn't happen overnight. If it did, it would be easy for us to see it coming—and to take steps to avoid it. Ounce by ounce, it creeps up on us as we're driving to work and then sitting behind a computer for eight to ten hours a day. It happens when we move into the real world from a college campus populated by bicyclists, runners, and varsity athletes who once inspired us to keep fit. But try talking about post-college weight loss with your friends and see if they say one of these things:

"Avoid carbs!"

"Don't eat before you go to bed, because fat doesn't burn efficiently when you're sleeping."

"Keto is the only real way to lose weight."

"Drinking apple cider vinegar speeds up your metabolism."

I always laugh when I hear these things. Maybe they're correct or maybe they're not, but that's not really the point.

The point is that we love to debate minutiae.

When it comes to weight loss, 99.99 percent of us need to know only two things: Eat less and exercise more. Only elite athletes need to do more. But instead of accepting these simple truths and acting on them, we discuss trans fats, obscure supplements, and Whole30 versus paleo.

WHY ARE MONEY AND FOOD SO SIMILAR?	
WHEN IT COMES TO FOOD, WE . . .	**WHEN IT COMES TO PERSONAL FINANCE, WE . . .**
don’t track calorie intake	don’t track spending
eat more than we know	spend more than we realize—or admit
debate minutiae about calories, diets, and workouts	debate minutiae about interest rates and hot stocks
value anecdotal advice over research	listen to friends, our parents, and TV talking heads instead of reading a few good personal-finance books

Most of us fall into one of two camps regarding our money: We either ignore it and feel guilty, or we obsess over financial details by arguing interest rates and geopolitical risks without taking action. Both options yield the same results—none. The truth is that the vast majority of people don’t need a financial adviser to help them get rich. We need to set up accounts at solid banks, automate our day-to-day money management (including bills, savings, and, if applicable, debt payoff). We need to know about a few things to invest in, and then we need to let our money grow for thirty years. But that’s not as cool or exciting, is it? Instead, we read internet articles from “experts” who make endless predictions about the economy and “this year’s hottest stock” without ever being held accountable for their picks (which are wrong more than 50 percent of the time). “It’s going up!” “No, down.” As long as there is something being said, we’re drawn to it.

Why? Because we love to debate minutiae.

When we do, we somehow feel satisfied. We might just be spinning our wheels and failing to change anyone’s mind, but we feel as if we are really expressing ourselves, and it’s a good feeling. We feel like we’re getting somewhere. The problem is that this feeling is totally illusory.Think back to the last time you and your friend talked about finances or fitness. Did you go for a run afterward? Did you send money to your savings account? Of course not.

People love to argue minor points, partially because they feel it absolves them from actually having to do anything. You know what? Let the fools debate the details. I decided to learn about money by taking small steps to manage my own spending. Just as you don’t have to be a certified nutritionist to lose weight or an automotive engineer to drive a car, you don’t have to know everything about personal finance to be rich. I’ll repeat myself: You don’t have to be an expert to get rich. You do have to know how to cut through all the information and get started—which, incidentally, also helps reduce the guilt.

*I knew I should save for retirement, but I didn’t really know how, besides “put some money in your 401(k).” I also thought saving was only about NOT spending money. As a result, I felt horribly guilty about spending money on *anything*, even if I had saved up for it. I had also never really thought about asking for a raise and didn’t know how to approach it. I had just treated the initial wage*

I'd been offered as set in stone.

—ELIZABETH SULLIVAN-BURTON, 30

Why Is Managing Money So Hard?

People have lots and lots of reasons for not managing their money, some of them valid, but most of them poorly veiled excuses for laziness or not having spent ten minutes on research. Let's look at a few:

Info Glut

The idea that there is too much information is a real and valid concern. "But Ramit," you might say, "that flies in the face of all American culture! We need more information so we can make better decisions! All the experts on TV say this all the time, so it must be true!" Sorry, nope. Look at the actual data and you'll see that an abundance of information can lead to decision paralysis, which is a fancy way of saying that with too much information, we do nothing. Barry Schwartz writes about this in *The Paradox of Choice: Why More Is Less*:

> *As the number of mutual funds in a 401(k) plan offered to employees goes up, the likelihood that they will choose a fund—any fund—goes down. For every 10 funds added to the array of options, the rate of participation drops 2 percent. And for those who do invest, added fund options increase the chances that employees will invest in ultraconservative money market funds.*

You scroll online and see ads about stocks, 401(k)s, Roth IRAs, insurance, 529s, and international investing. Where do you start? Are you already too late? What do you do? Too often, the answer is nothing—and doing nothing is the worst choice you can make. As the table shows, investing early is the best thing you can do.

Look carefully at the chart below. Smart Sally actually invests less, but ends up with about $80,000 more. She invests $200/month from age thirty-five to age forty-five and then never touches that money again. Dumb Dan is too preoccupied to worry about money until he's forty-five, at which point he starts investing $100/month until he's sixty-five. In other words, Smart Sally invests for ten years and Dumb Dan for twenty years—but Smart Sally has much more money. And that's with just $200/month! The single most important thing you can do to be rich is to start early.

HOW TO MAKE $60,000 MORE THAN YOUR FRIENDS (WITH LESS WORK)		
	SMART SALLY	**DUMB DAN**
When beginning to invest, the person is . . .	35 years old	45 years old
Each person invests $200/month for . . .	10 years	20 years
With an 8 percent rate of return, at age 65, their accounts are worth . . .	$181,469. Voilà—the value of starting early	$118,589. Even though he invested for twice as long, he's behind by $60,000

If you're younger, your money will grow even more. If you're older, don't get discouraged. I recently got a message from a woman in her forties who was unhappy about these numbers. "What's the point of writing that?" she asked. "It makes me feel bad that I'm already too far behind."

I understand how she feels. But we can't hide from the math—so instead of sugarcoating the facts, I believe in showing you the truth, including ways to increase your savings. Yes, the best time to start investing was ten years ago. The second best time is today.

The Media Is Partially to Blame (I Love Casting Blame)

Open the typical financial site and I bet you'll see an article called "10 No-Hassle Frugality Tips for Getting Ahead with Your Finances" or "How Today's Senate Vote Affects Estate Taxes." Reading those headlines, you intuitively know why online columnists wrote them: to get pageviews and sell ads.

We know that because reading yet another frugality article is not going to change anyone's behavior. And the estate tax affects less than 0.2 percent of people. But both of those headlines make people feel good—or angry.

Enough! I don't care about pageviews or stoking rage. If you're like me, you care about knowing where your money's going and redirecting it to go where you want it to go. We want our money to grow automatically, in accounts that don't nickel-and-dime us with fees. We don't want to have to become financial experts to get rich.

The Rise of Victim Culture

There's a group of people—mostly young, disaffected people—who have decided it's easier to be cynical than to improve themselves.

"LOL! Invest? I can't even save enough for pizza."

"LOL! Find a job? What world do you live in . . ."

"Maybe if baby boomers hadn't ruined it for all of us . . ."

People actually *compete* to see who's the bigger victim. Oh, you can't afford a four-bedroom house at the age of 26? *I can't afford to live in a cardboard box!* Oh, you like going to parties to meet new people? *That must be nice, I have social anxiety so I can't do that. (What? No, I didn't see a doctor. I diagnosed myself.)*

You know who's the real victim here?

Me. I'm offended at you being offended. And at the stupidity of this entire victim culture.

I refuse to play into the theatrics of how you can't afford to save even $20 a month. When this book was originally published, I got hundreds of angry emails accusing me of being elitist for encouraging people to save and invest even a modest amount. Those cynics were wrong. They surrounded themselves with other naysayers, bought flimsy arguments, and incurred a staggering cost for their beliefs: They missed out on hundreds of thousands of dollars of gains. Meanwhile, my readers put in the work to create their Rich Lives.

You choose. Be a cynic or carefully evaluate your options, knowing you'll probably make a mistake here or there . . . but you'll grow at each step of the way. I choose to move forward.

I understand this is a complex issue. Yes, socioeconomic policy, access to technology, and pure luck matter. For example, if you start off with two parents and you graduate from college, you're already luckier than most people on this planet.

But we play with the cards we're dealt. I believe in focusing on what I can control.

For example, by the time I entered kindergarten, it was clear I would never be in the NBA—fine. On the other hand, it was clear I would dominate the shit out of my classmates in spelling bees. Also fine.

Then there were the gray areas, like starting a business, becoming more fit, and learning to be better in dating. I had to learn those skills and work really, really hard.

This is where the victim mindset comes in. So many people complain about politicians and sociological problems without looking around at their own behavior. They give up at the first sign of failure. If you want to be a passenger in life, fine—go with the flow. I've found it's a lot more fun to be the captain of my own ship, even if I go off course sometimes.

As you can see, I don't have a lot of sympathy for people who complain about their situation in life but do nothing about it. That's why I wrote this book! I want you to be empowered to take control of your situation, no matter where in life you started from. I want you to have a level playing field against these huge Wall Street firms, mindless articles, and even your own psychology.

Here are a few examples of victim culture when it comes to money:

"I can't save any money." Years ago, when the economy crashed, I launched something called the "Save $1,000 in 30 Days Challenge," where I showed people tactical ways to save money using fresh psychological techniques. Thousands of people joined and worked to save thousands and thousands of dollars.

Except a few people.

While most people were supportive, I was surprised by how many people were actually offended by the very concept of a "Save $1,000 in 30 Days

Challenge” because they didn’t even earn that much each month, or they found my recommendations to be “too obvious”—even though I defined “saving” as cutting costs, earning more, and optimizing spending.

Here are some examples of their complaints:

- “Doing this is impossible for me . . . I don’t make enough to try this exercise.”
- “Nice idea, but the current median family income here in Ohio is $58,000/year. After taxes this means a monthly paycheck of about $3,400. Note that this is the median, so fully half of Ohio families live on less than this! I doubt many of them could save $1,000/month without selling off their children.”
- “This’d be nice . . . If I even made $1,000 in a month, I might try it. But I’m in university . . .”

First of all, notice that crazy people have a particular way of writing—they’re always trailing off at the end of a sentence. If someone writes you and says, “It must be nice . . .” or “That sounds hard . . .” odds are good that they’re a serial killer who will be knocking on your door very soon, then wearing your skin as a raincoat.

Also, people love to use their particular situation—living in Ohio, or Malaysia, or not having gone to an Ivy League school—to explain why they can’t get the same results others can. I used to engage and show them examples of people in their own area who got amazing results. Their response? “Well, did they have [increasingly obscure criteria: moved around three times as a kid, eleven fingers, whatever]?” As soon as I said no, they said, “See? I knew this wouldn’t work for me.” Cynics don’t want results; they want an excuse to not take action. Ironically, even if they win their own manufactured argument, they lose overall, because they’re stuck in a prison of their mind.

“The world is against me.” Yes, there are lots of societal problems right now. But when it comes to personal finance, I focus on what I can control. This idea escapes whiners, whose natural reaction when asked to actually do something about their situation is to create reasons why they can’t. It used to be personal excuses (“no time”). Now, with the rise of victim culture, it’s more politically correct to point to some external force, like median earnings or economic policy. Yes, getting your financial life in order does require some work. But the rewards far surpass the effort.

The truth is that these whiners miss the point. While saving $1,000 in a month was eminently reasonable, it was also an aspirational goal. If you couldn’t save $1,000, what about $500? Or $200? Finally, the people who complained about money a year ago are probably still complaining, while many of the people who took the challenge saved hundreds and even thousands of dollars.

Other People We Can Blame for Our Money Problems

There are other common excuses for why we don’t manage our money. Most of them don’t stand up to scrutiny:

- **“Our education system doesn’t teach this.”** It’s easy for people in their twenties to wish that their colleges had offered some personal finance training. Guess what? Most colleges do offer those classes. You just didn’t take them!
- **“Credit card companies and banks are out to profit off us.”** Yes, they are. So stop complaining and learn how to beat the companies instead of letting them beat you.
- **“I’m afraid of losing money.”** That’s fair, especially after global crises where front-page articles used words like “tanked” and “lost generation.” But you need to take a long-term view: The economy grows and contracts in cycles. If you withdrew your money from the stock market in 2009, you missed out on one of the longest sustained periods of growth in history. Fear is no excuse to do nothing with your money. Remember, you can choose among many different investment options—some aggressive, some conservative. It all depends on how much risk you’re willing to take. In fact, by automating your money, you can put yourself in a position to excel when others are scared—by continuing to consistently save and invest. When others are scared, there are bargains to be found.
- **“What if I don’t know where to get an extra $100 per month?”** You don’t need to earn another penny. I’ll show you how to streamline your existing spending to generate that money to invest. Follow my CEO Method: Cut costs, Earn more, and Optimize your existing spending.
- **“I don’t want average returns.”** Our culture stigmatizes being average. Who wants to have an average relationship? Or an average income? Financial firms have weaponized that fear of average: They suggest it’s bad to be average, that it’s boring, and that you can do better. There’s actually an entire ad campaign based on this idea by a popular robo-advisor whose tagline reads “Be better than average.” The truth is, you likely can’t beat average returns. In fact, average 8 percent returns are

actually very good. Ironically, people who fear “being average” do exactly the things that make them perform *worse* than average: trade frequently, make outlandish bets, incur high taxes, and pay unnecessary fees. Remember: In relationships and work, we want to be better than average. In investing, average is great.

You’re not a victim, you’re in control. Once you truly internalize that, you can start to go on offense. No more being paralyzed by the thought that you have to get every single part of your personal finances perfectly organized before you can begin to manage your money.

Do you need to be the Iron Chef to cook a grilled-cheese sandwich? No, and once you make your first meal, it’s easier to cook something more complicated the next time around. The single most important factor to getting rich is getting started, not being the smartest person in the room.