

Nine Steps to Financial Independence

At a time when personal, corporate and government debts have reached all-time highs and savings are dangerously low, Joe Dominguez and Vicki Robin offered us a way back to financial sanity and security. Unlike budgets, their program leads to a whole new way of thinking about and living with money. They recommend the following simple steps to financial intelligence, integrity and independence:

Step 1: Making peace with the past. Find out how much money you've earned in your lifetime, from the first penny to your last paycheck; then create a personal balance sheet of assets and liabilities.

Step 2: Tracking your life energy. Establish the costs in time and money required to maintain your job, and compute your real hourly wage. Keep track of every cent that comes into or goes out of your life.

Step 3: Monthly tabulation. Establish spending categories that reflect the uniqueness of your life. Convert the "dollars" spent in each category into "hours of life energy," using your real hourly wage.

Step 4: Three questions that will transform your life. Of the money spent in each category, ask yourself:

- *Did I receive fulfillment, satisfaction and value in proportion to life energy spent?*
- *Is this expenditure of life energy in alignment with my values and life purpose?*
- *How might these expenditures change if I didn't have to work for a living?*

Step 5: Making life energy visible. Make and keep up to date a chart of your total monthly income and total monthly expenses.

Step 6: Minimizing spending. Lower your total monthly expenses by valuing your life energy and increasing your consciousness in spending. Learn to choose quality of life over standard of living.

Step 7: Maximizing income. Increase your income by valuing the life energy you invest in your job, exchanging it for the highest pay consistent with your health and integrity. Don't sell yourself short.

Step 8: Capital and the crossover point. When your monthly investment income rises above expenses you'll be financially independent, with a safe, steady income for life from a source other than a job.

Step 9: Managing your finances. Become knowledgeable about long-term income-producing investments and managing your finances for a safe, steady and sufficient income for the rest of your life.

*Taken from **Your Money Or Your Life**, a best-selling book by Joe Dominguez & Vicki Robin about personal financial transformation. The updated edition was re-released December 2008.*