

# **MONEY**

# **WORK**

# **LIFE**

**Learn how money  
can work for you to  
enjoy life with cool  
strategies you can  
adopt easily!**

by bestselling author

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'Money Work Life' is the 2nd edition of my Smart Money-User book. In this new edition, I have written more insights on how to have better skills in managing your money, work and life because they are closely inter-linked.

Let us face it - you cannot live without money and you cannot ignore it either! When it comes to man and his money, most would say, "Till death do us part." But frankly, how well do most of us know money?

Which is more important – your life or your money? As the saying goes: "No Money, No Life." Like it or not, our lives are inevitably intertwined with money.

Is money a common topic of discussion at home with your parents? Probably not. Your parents want you to get a good job – so that you can work to make as much money as possible.

But when you know how to manage money with the right knowledge, skills and strategies, you can experience the power of money and be in balance with money, work and life.

It is a good head start in life before you are caught in the world of consumerism and end up in debt. Instead, arm yourself with the power to invest, make more money and achieve your 1st million faster than your friends.

Most people are at a loss when it comes to handling personal funds and often lack the skills to do so. This is because the subject of managing personal money is seldom taught in schools, colleges or universities. Nor is it something something bosses or parents provide guidance on.

This is a simple, easy-to-use book. The unique feature of this book is its practical approach. This book will help you to build an intimate relationship with your money and take ownership of it.

# How To Use This Book

VI

The subject of money is made simple for you in this book with clear explanations and exercises. Here, you will find simple, usable techniques and financial tools you can use whenever you need to deal with money. These techniques and tools will enhance your money skills and turn you into a smart money-user.

Find out both “soft and hard facts” about you and your money. The soft facts are things that you discover about yourself. The hard facts are specific guidelines and formulas that you need to know in order to be a financially successful person!

By doing the exercises in this book, you will build a good foundation of your thought processes and gain a better understanding of the subject. The exercises will also equip you with the skills to improve your handling of money.

In the chapters, highlighted sections titled “What you need to know” and “Remember this” serve as vital reminders.

Even if you are not a young adult by the age definition, you can still benefit from this book through reading, doing and applying the ideas and strategies in your real-life situations. It is specially designed to help you handle money and life more efficiently, so that you will take the first correct steps towards achieving your money goals and a secure future.

To be wise and skillful in handling money, you are advised to constantly review the results that you have written for each of the exercises and redo the exercises if there is a change in your life situation or circumstances.

You may choose to do the exercises anytime and anywhere by yourself, or together with just about anyone: your family, spouse, children, mother, father, brothers, sisters, friends, boyfriends or girlfriends. It is fun to do the exercises together so you can get to know each other’s perceptions and behaviour towards money. By doing the exercises together, you are also helping them to improve their money knowledge and skills.

Fear comes from not knowing what to do and how to do it, as well as not knowing who to talk to. You can send me an email from my website [www.AbacusForMoney.com](http://www.AbacusForMoney.com) if you have a question or need advice in order to solve a financial problem. This is because I know this money subject is serious stuff and your future is riding on it!

When you are young, you may think that achieving financial success is easy. Some people will tell you that it depends a lot on luck and opportunities, but those who've achieved financial success will stress that it involves a lot of hard work, persistence, determination, well-thought-out strategies and good money management skills.

These attributes of financial success can be cultivated and learnt. And in today's rapidly changing world and challenging economies, success doesn't come easy if you don't have actionable strategies to help you achieve the results that you want.

Today's successful young adults are also increasingly finding themselves divided between enjoying their financial success now and sustaining their wealth over a lifetime. This points to a need for them to establish effective strategies for building financial wealth that lasts, with realistic goals and a meaningful vision for the future.

For the young, the world is your oyster because of the endless possibilities ahead of you. You may think you are free to make the most of those opportunities, but you will never obtain true freedom to do so as long as you are still financially dependent on your parents. If you want the freedom to do what you please, you need to be financially savvy from a young age to achieve financial independence.

### **Financial Independence and Success**

Financial independence means not having your parents watch over you and telling you how you should manage your money. They can't help doing so, unless you are wise with your savings, spending and investing. Being able to manage your money smartly will also give them peace of mind, as they won't worry about you being in financial distress.

To be financially successful, you must be empowered to take charge of your own financial and life destiny; this is one of the

# The Psychology Of Money



most important fundamentals in life. You must arm yourself with financial knowledge, financial strategies and good money management skills i.e.:

- Smart spending and savings
- Smart debt management
- Effective investment and wealth protection
- Effective financial planning and execution

By learning to develop effective financial strategies, you are cultivating healthy financial habits to manage your money effectively, and not make foolish financial mistakes like going into debt unnecessarily or making bad investments.

It is wise to start practicing good financial habits early in your life, as you pursue your career and life aspirations. Know how to make money work for you to achieve your short-term and long-term goals as early as possible. This enables you to create financial wealth for the future – for a better quality of life and the ability to make life choices without financial worries. You will also be a good role model for your family and friends – a great achievement to be proud of!



### REMEMBER THIS:

You must start to take action and begin planning for your future. The time is now. Better to start young than to regret later! Otherwise, you simply fail to take action to create a future for yourself!

Financial strategies are effective when you are able to put together an actionable financial plan that will help you create wealth and achieve financial success. Before you can draw up your plan however, you need to know what you want in life. Otherwise, it is like “putting the cart before the horse”!

## **Plan Your Life: Self-Empowerment**

Your financial plan is prepared based on your life plan, which should be about what you believe in life and what you want in life.

For example, you may prefer to spend money now to enjoy life rather than save money to have a good life later; in other words, you believe that: "Life is short. Enjoy now and worry later". However, you need to be realistic because you really don't know how 'short' a life you will have. Your lifespan may be five years, 23 years, or even 50 years or more. You still have to work out systematically, the amount of money you will need each year to pay for your living expenses and financial commitments. That's what financial planning is about.

There is a common belief that "I have no money, so what's there to plan". Precisely why financial planning fails is because you believe that you do not have money! It is a chicken-and-egg situation. Do you plan to have money or do you need money to plan? It doesn't matter if you have no money or if you have only \$100. It is about planning to turn this \$100 into \$100,000 or \$1million, and planning how to live your life meaningfully with the \$100 you have. You have a choice between feeling miserable because you're poor, and being motivated to make more money.

You shouldn't procrastinate, and neither should you be in denial. Self empowerment is important to help you take charge of your financial destiny. By continuing to read this book, you can learn the process of creating your financial success.

## **Making Money Sense**

Managing money is about making sense of how you value money in terms of the material things, experiences and emotions that you want in your life. You will end up mismanaging your money if you do not know what you want in life - your life purpose, your goals and aspirations. You will find that you are unable to estimate in your financial plan, the amount of money required to achieve them.

Your life is also affected by your social environment; your family and friends. You will find that it is just as difficult to calculate the financial commitments and obligations with them.



Your first financial planning step could be the most challenging step because you need to know exactly what you want in life and how money can help you achieve that.

It may sound simple to assess your current financial situation by gathering your personal financial information, and developing financial goals so that you can take the necessary actions to make them a success.

The financial planning process however begins with you taking charge of your life first, and this starts with an understanding of your own belief system about life. This then translates into your thoughts, emotions and behaviours which can have an impact on your finances, now and in the future.

### **Your Belief System**

Each of us has a unique childhood experience, shaped by our parents' upbringing and influenced by our interactions with our siblings, friends and the people we meet. And as we grow up, this coupled with our experiences in the workplace and in social settings will affect our life belief system.

Our life beliefs will determine our attitude towards life. For instance, if a person believes that "I'm still young to think of my future" or "I only live once" what would his attitude be towards life and how will he spend his money? He might have a tendency to spend more money now to enjoy life in the present, and not think too far ahead about what will happen in the future.

What about someone who believes that, "If I had more money, I would be happier"? What would her attitude be towards life? How much money would it take for her to be happy? This person may never be truly happy if she continues to believe that she is "not making enough money."

**What you need  
to know: The**

**Psychology of  
Financial Planning**

Financial planning is about creating wealth, but evidence shows that 90% of wealth is lost due to a person's poor thought process and emotional preparation while only 10% is due to poor financial planning. Research also shows that money and wealth can create both positive and negative feelings in individuals, and affect their relationships with the people around them like their spouses, families and friends. If this is the case, your psychological preparation is a key aspect in your financial planning to grow and preserve your wealth.

A successful financial planning process requires you to intertwine your life belief (life values, meaningful purposes, experiences, relationships, physical, mental and well being) with your financial wealth (your assets and liabilities and your cash flow). It also requires a good understanding of the application of financial products and services throughout the journey of achieving your financial or money goals. You also need to be logical and money-wise, have good judgment, and not be easily influenced or tempted.

There is no magic formula to address the psychological issues in financial planning, because of the different set of life challenges we face as we age. However, a two-pronged approach has been found to be most effective way of dealing with them. First, start with the personal level, then followed by the practical financial aspects that link with your personal intentions. This is what this book will help you to do.

It is more than just about the money needed for your future. It is also about the need to build meaningful relationships with people, meeting personal emotional needs, fulfilling self-esteem needs and making achievements while you find meaning in life and appreciate what you've been given in life.

## **Psychological Preparation**

Can you now see why financial planning does not just depend on cold financial facts? The financial figures are just numbers but it takes action in planning and execution to achieve those financial numbers on a daily, weekly, monthly and yearly basis.

You must look at the psychological factors that affect your life belief system and thought processes when you work through the exercises in this book, because they help create your perception and expectations which in turn will form the financial figures in your financial plan.

Your fresh new lifetime financial journey starts when you read this book with an open-mind, reflecting clear on your life experiences (including your childhood) and the application of the strategies and ideas revealed in the following chapters.

# Financial Self-Worth

You cannot live without money. You need it to survive. It is just as important as air and water is to you, isn't it? On the other hand, it can be even more important than air and water for those who want to live healthily! You need money to buy pure and clean water. You need an air-ioniser to purify the air that you breathe.

Aren't you now excited with the power of money? Some of you live well; some of you don't exactly have a comfortable life. Some of you come from a poor family and some from middle class families. The lucky ones are born into rich families. But you still have to live and face the realities of life. Growing up and becoming an adult is a challenging job! Ask the adults, and they will tell you their difficulties.

You must have a curious mind and constantly ask yourself this question, "What is my financial self-worth?"

When you have completed reading this book and all the exercises in it, you will discover that the result of what you are today, be it your achievements or failures in life, can be represented in monetary terms - your financial status. When you are motivated to have financial success, your financial self-worth can be measured based on your Cash Flow and Net Worth Statement in terms of dollars and cents.

However, in the society that you live today, the perception of your financial success is being measured by what you wear, where you live, what car you drive, where you eat, where you hang out or the type of places you go to, what job or business you own or where you go for your holidays. These activities are a typical reflection of your financial affordability, worthiness and achievements.

There are many ways of measuring achievements in life. To some, having lots of money is an achievement while others see recognition in work or career satisfaction as their achievements, despite earning just enough money to pay for a decent living.

How about being poor financially but rich in terms of life values that you can impart to others? You must have your own definition of your value system, financial achievements and failures that you are comfortable with and you must also be willing to accept them.

It is your choice. It is 'You' who will tell your mind what is best for you and what you see as your achievements in life. You decide what you are now and what you want to be in the future.

It is also you who will tell your mind to evaluate each situation, environment and the people around you like your parents, sisters, brothers, relatives, friends or even strangers to determine whether they can affect you financially or bring good values into your life.

With your awareness as a young adult and how a young adult should live, you can become a smart and money-wise person. Being money-wise does not necessarily mean that you become financially rich. It means you become wiser with handling money and more conscious of how it can bring good values to your life!

Even if you feel that your financial status today is due to faith, feng shui or luck, you have to consciously work on your behaviour, thoughts and emotions to manage your money and live to the fullest, because you only live once! For better or for worse, till death do you part with your money!

But how well do you understand your money so that it works best for you? It takes 3 to 4 years to get a degree to become a professional in any field that you have chosen as your career and if you want to become a doctor – a longer time than that! What about money?

How many years would you take to learn about money and be really good at it? It could take a lifetime! Life can be painful because you might fail terribly in the lessons that you learn about money. Look at the people around you. How often do you hear them telling you about their financial successes and how often do you hear them talking about their financial failures?

Be mindful that financial failures can happen during the later part of life when you least expect it to happen. It can creep up on you most unpredictably, beyond your imagination!

To begin with, is there a subject taught in school called money or is there a degree in money that you can take up in college or university? Not at all! In actual fact, your first lesson about money begins when you first receive money in your hands. Do you remember when was that first time? How old were you then?

As a young adult, you need to know how to use money wisely so that you will create unlimited financial values from it. The time is now to acquire money skills to use money smartly and to make things happen for you... Be smart and money-wise!

Your lesson begins with a simple exercise to help you identify your belief about money. Tick "Yes" or "No" in the appropriate boxes provided below:

**Financial security**

Having more money than you need throughout your life will give you a greater sense of self esteem and security.

- Yes                       No

**A measure of productivity, commitment and focus**

Money is important and it is a measurement of your productivity, usefulness, commitment and focus in life, including work and studies. Money is a booster to your self-esteem.

- Yes                       No

**A measure of empowerment**

Your financial ability to help your parents, brothers or sisters, friends and people who need your help is important to enhance your self-esteem and sense of empowerment.

- Yes                       No

**Acquiring financial knowledge and experience**

Lifelong learning, gaining financial knowledge and enriching life experiences as you grow older will increase your self-esteem and grow your wealth.

- Yes                       No

If your answers are "Yes", this means you have a strong desire to plan and want to take action to achieve financial success, and live a happy life!

# The Brain @ Work

Your brain is like a computer that stores information and data, experiences, thoughts and emotions (feelings) which I call "Knowledge and Memory".

Every single day of your life, you will use your brain. Your brain is very powerful, simply because it has a huge "memory bank" that carries all the knowledge, thoughts, emotions and experiences that you received since the day you were born.

In order to store more information, files, software and data in the computer, you will need to increase its memory capacity by adding extra ram to the hard disk. In the case of your brain, do you need any extra "ram" to increase your memory space for storing your every information, data, thoughts, emotions and experiences? Not at all.

You see, your brain is a most wonderful thing. Since the day of your birth, it stores your every single byte of information, data, emotion, thought and experience without you having to add on any "memory ram" to it. You may think that you have forgotten certain information or experiences, but actually, your brain has already stored them away.

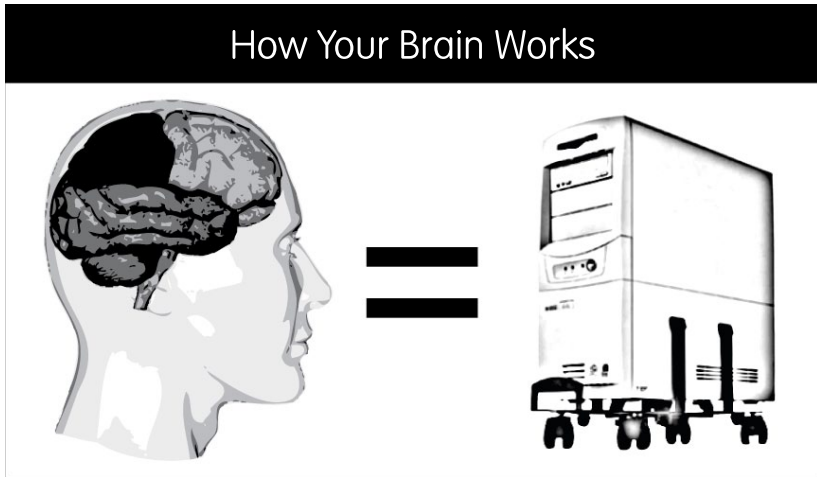
## **How Does Your Brain Work?**

Your brain is your most precious possession. It is always with you, and its amazing power will be yours only when you learn how to use and control it. Of course, you would think that other parts of your body organs such as your heart, your lungs, your kidney, your liver (and the list goes on) are just as important.

Well, how about this? Supposing you had a heart failure, you could still have a heart transplant. Likewise, we have heard of kidney transplant, liver transplant and lung transplant. But have you ever heard of getting a brain transplant?

What makes your heart, and other parts of your body

function? Your brain, right? It works just like your computer. If you were to take the hard disk out, what will happen to the computer? Or what if your hard disk was infected with a virus? The computer will be worthless to you!



The beauty and power of the computer depends on its features and capacity, quality of hardware, types of software that have been installed within and links to the internet world.

The computer will only serve you most efficiently and effectively when you know how to operate it properly. The same goes for your brain. Let us just ponder for a moment.

Isn't the computer similar to your brain? The beauty and power of your brain depends on what you "install" inside your memory cells! Since the day you were born, it has been capturing each second, minute, hour and day of your every encounter and experience.

Therefore, your brain can help you to function well, make excellent decisions and create powerful results for you only if you know how to "feed" your brain cells with fantastic experiences of what you see, hear, taste, smell or feel, as well as hard facts of information and data that you read and listen to. If you were to "infect" your brain with unpleasant experiences, bad memories of your childhood and teenage days, bad information or data, what will happen to you?



According to research, there are about 2 million bytes of information per second that you are receiving through your five senses (via tastes, feeling, hearing, seeing and smelling) but your nervous system cannot handle all these information at the same time.

Instead, it will process the information by deleting, generalising, distorting and compressing all the data into a manageable chunk size of about 134 bytes of information. Then only will it be stored in your brain. In the process, a lot of information will be left out.

Your brain will only process what you focus on and selectively store it as a memory. Therefore, for you to be good in certain things or to be knowledgeable in certain areas, you need to focus on what you want so that you get most of the information via your nervous system to achieve the desired results that you want.

Now you know why you have friends who seem to know more about certain things than you. This is simply because you are not focusing on the same things that your friends focus on.

For instance, if you were keen to be the best soccer player, you would focus on how to play soccer better. Unlike your friend, who is keen to be the champion of the golf game. Definitely, he will focus on how to play the golf better, and get a golf coach to help him improve his game.

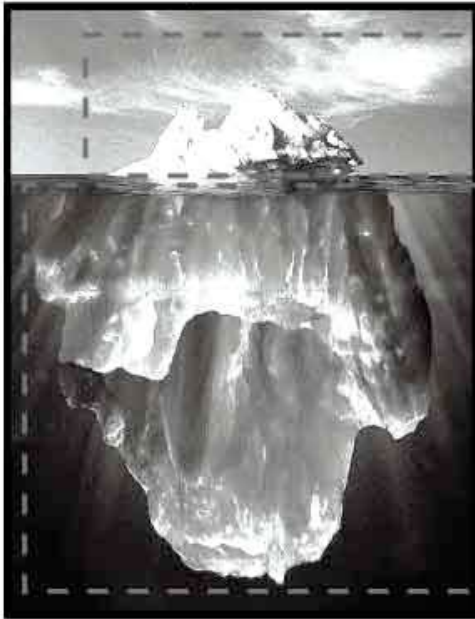
Likewise, if you want to be financially successful, you need to focus on reading and listening to relevant financial information and data and gain lots of financial experiences. Have you ever thought of how your brain actually saves all your knowledge and experiences?

When your computer's memory space is fully stored with files, you can back-up the files in a separate storage disk. How about your brain? Where do the knowledge and experiences get saved in?

They are stored in your memory cells in 2 different levels: your conscious mind and subconscious mind. The knowledge and experiences that you see, hear, feel, taste and smell are stored in your conscious and subconscious mind in the form of thoughts and emotions.

Freud's View Of The Human Mind: The Mental Iceberg

**Layer of your mind**



**Conscious Mind**

Actions	Experience
Thoughts	Memories
Perceptions	Knowledge

**Subconscious Mind**

Information	Fears
Knowledge	Desires
Wants	Motives
Needs	Urges
Beliefs	Experiences
Behaviour	Wishes
Interests	Passion
Feelings	Values

**Your Conscious and Subconscious Mind**

The awareness of your thoughts and emotions at your conscious mind (the rational level) is only 10% while 90% of your emotions and thoughts are being stored at your subconscious level (the irrational level). You think with your conscious mind whereas your habitual thinking is from your subconscious mind.

Have you ever come across situations when you suddenly recall feelings that you have forgotten a long time ago? Or you suddenly remember certain events or a particular person, just like that? Dêjã vu?

Or perhaps you keep having the same thoughts or feelings every time you go to certain significant places? Or while you are reading or going about your usual work, your mind is actively visualising events that has happened to you (that you can vividly recall) or pictures of people whom you had met

(who made quite an impression upon you)? Or even mentally visualizing situations that you have experienced over the last few hours or the last few days that had caused an emotional impact upon you?

There may also be certain actions or habits that you do daily without being conscious of them, such as deciding on what to wear for the day, work deadlines that you need to meet – all these thoughts running through your head while you are brushing your teeth in the morning?

Do you ever “talk to yourself”, like asking yourself what you want to eat for lunch, why you like a certain guy or girl, what time you want to get up in the morning, where to shop for party dresses, which is a better notebook to have, whether you want to stay at home or visit a friend or whether you should cancel an appointment because you don’t feel like going out? Did you know that you “talk to yourself” on just about anything and everything?

All of us “talk to ourselves” in silence (in our mind). I call it “Self-Talk”.

## **Your conscious and subconscious are not two minds**

Both the conscious and subconscious minds are merely two spheres of activity within one brain. Your conscious mind is the reasoning mind. It is the part of your brain that makes decisions for you. This means you make your decisions with your conscious mind. For example, you decide how to spend your money, who you want as friends, what you want to study in college or university, what career you want to pursue. It is all about your life!

Now, the way you “talk to yourself” is also very important. Your conscious mind will make a decision to act base on the conversation that you have had with yourself. On the other hand, without any conscious effort on your part, your heart is kept functioning automatically, and the vital functions of your digestive system, your blood circulation and your breathing are kept going by your subconscious mind through processes independent of your conscious mind.

Certain habitual activities such as brushing teeth, wearing your shoes, chewing your food, shopping, gambling, drinking and smoking, driving and cycling are automatic actions “instructed” by your subconscious mind, without you realising it.

## The power of your subconscious mind

Psychologists and psychiatrists point out that when thoughts are conveyed to your subconscious mind, impressions are also made on your brain cells. Your subconscious mind also accepts what you consistently impress upon it and what you consciously believe. It does not reason things out like how your conscious mind does, and it does not argue with you. It does not make objective decisions for you. Your subconscious mind is like a bed of soil that accepts any kind of seeds, be it good or bad.

Any information or data, events or experiences you see, hear, feel, taste, smell, thoughts you have or “conversations” that you have with yourself will be unconditionally “accepted” by your subconscious mind, without you even realising it!

Remember this: Your subconscious mind does not filter your thoughts for you. Good, bad, true or false ideas are accepted unconditionally. It responds according to the nature of your thought. Therefore, it is important for you to manage and control your thoughts well.

If you consciously assume that a particular item is good for you (although it is actually bad for you) and you want to buy it, your subconscious mind will accept it as a good thing for you. You will proceed to carry out the action of buying the item because you assumed that the item is good for you!

Once your subconscious mind accepts an idea, it begins to execute it. It is an astonishing but subtle truth that the subconscious mind works under its own law. Both good and bad ideas are acceptable to it. This law, when applied in a negative way, is the cause of failure, frustration, unhappiness and fear for many people. If applied in a harmonious and constructive way, you will experience happiness, success and prosperity.

Therefore, your subconscious mind uses every byte of information that you have gathered and it can only draw from the infinite power, energy, and wisdom within you if you nourish it with knowledge and experiences that are good for you. This process will continue throughout your life!

Isn't this powerful?

## Your Brain Is Like The Internet World

In the Internet, when you type the word "Money" in the search engine and click the "search" button, what do you get? You will get all the information about money, because the key word for the search is money!

What about your brain? When you think of the key word "Money", what will happen to the search in your brain?

Your brain will only "search" for all the memories of your experiences with money, emotions about money and knowledge about money that you have read in the form of facts and figures.



**REMEMBER  
THIS:**

Your subconscious mind does not filter your thoughts for you. Good, bad, true or false ideas are accepted unconditionally. It responds according to the nature of your thought. Therefore, it is important for you to manage and control your thoughts well.

If your memory of money is bad and your depth of knowledge about money is shallow, what will happen to the "search result" of your thought?

Nothing much, right? Or perhaps just bad thoughts and memories about money will surface. Isn't this interesting?

If this is the case, how do you make good judgement or decisions about money?

**You are a Smart  
Money-User!**

Isn't it time now for you to open up your mind to accept good ideas, learn how to keep the money and use it wisely? This is what a young adult should be doing constantly if he or she wants to be smart and money-wise: "To be good with money, you need to be smart."

I recognise you as a potential smart money-user living out today's young adult lifestyles. Start now and you will get a good head-start in achieving your money goals compared to the adults who have worked hard for

their money earlier on and could have made many unnecessary money mistakes along the way. Fill your brain cells with the most relevant and important financial information, emotions, events, experiences and intelligence so that your brain can constantly retrieve the right information for you to make the right decisions.

It takes a lifetime of learning and practice to consistently fill up your brain with everything that relates to money: the good experiences, information and memories. Only then can your brain make the right decisions for you. Otherwise, it will be like your computer and the saying goes, "Garbage in, Garbage out"!

To ensure that your brain will produce excellent results to guide you with your money, your learning process must begin now.

# Your Brain & Behaviour Process

A THOUGHT being created or MEMORY being recalled in your brain.

Leads to an EMOTION being created inside you.

Based on the EMOTION, your brain makes a decision for an action.

Your brain send signals to your body via your nervous system.

Your body carries out this ACTION.

You EXPERIENCE the result of the ACTION.

An EMOTION will be created from your EXPERIENCE of the ACTION.

Your brain will save the EMOTION & EXPERIENCE as a THOUGHT or MEMORY in your brain.

## Your Brain Creates Your Behaviour and Habit Cycle

Based on psychological studies, your thoughts and emotions affect your behaviour. Most of the time, your thoughts come before your emotion. This is how it works. If a similar thought comes to your brain the next time, your brain will recall the emotion attached to the thought (due to the experience you had), and this leads to your brain either:

1. Making the same decision because you like the emotion that is attached to the thought (experience); or
2. Making a different decision because you didn't like the emotion that is attached to the thought (experience).

### How is your behaviour created by your brain?

Whatever decision is made, signals will be sent to your body via your nervous system, leading to an action and the experience that you gained from that action. This cycle of actions is called Your Behaviour.

Even if your emotion comes before your thought, your brain will still make a decision to signal your body for an action. Now, try to recall some of the past actions and the decisions that you have made.

Were they due to your emotions, i.e. how you felt at that time? Or did you actually think in a logical manner before making your decision?

How often do you make decisions based on your emotions (feelings)?

- All the time
- Most of the time
- Seldom
- Not at all

How often do you make decisions with your logical thinking (your thought) instead of with your emotions (feelings)?

- All the time
- Most of the time
- Seldom
- Not at all

Whether you make your decisions based on your emotions (feelings) or your logical thinking, would you still need to use your brain?

- Yes
- No



Now, here is an important question for you. Take a few minutes and think of what had happened in the past one day and the decisions that you have made. Were those decisions based on emotions (feelings) rather than logical thinking?

- Yes
- No

Were the decisions made based on logical thinking rather than emotions (feelings)?

- Yes
- No

Reflect upon your daily activities and habits. How often do you make decisions based more on your emotions (feelings) as compared to your logical thinking?

- All the time
- Most of the time
- Seldom
- Not at all

And how often do you make decisions based more on your logical thinking as compared to your emotions?

- All the time
- Most of the time
- Seldom
- Not at all

What is your conclusion about your decision-making behaviour?

**Answer:** Most of my decision-making behaviour is based on:

- My emotions (feelings)
- My logical thinking

You need to be mindful of your decision-making behaviour. If you are not happy with the outcome or result of your decision, you need to know what causes your decision-making behaviour.

When you are aware of your decision-making behaviour, you will be able to manage your emotions (feelings) and your logical thinking to create the results that you want in your life. This also means your decisions can determine your financial success!

### **How is your habit created by your brain?**

Who controls your brain then? You! You are the person who owns this brain of yours. When you experience an event several times in your life, and take the same action each time, the thought and emotion attached to that action will be stored in your brain.

Each time you encounter the same experience, your brain will decide to take the same action. It will keep sending the same set of instructions to your body via your nervous system to do the same steps each time.

If you do the same steps often enough, you will create a 'habit' in your behaviour system.

### **What is your money habit?**

Take a look at your daily activities. What are the habits that do not create good or positive values for you? Habits can be normal daily practice such as buying your favourite food, magazines, the "must-drink" coffee at cafe preference for eating only at air-conditioned places, playing computer games, surfing or chatting on the Internet, shopping during weekends, sleeping in air-conditioned room, showering with warm water from heater, washing your hair everyday and the list goes on...sounds familiar?

## MONEY WORK LIFE

Now, write down your habits on the space provided and the estimated amount of money you would spend for each of those habits.

	daily habits	(\$) how much do you spend on this habit	can you break the habit
a			
b			
c			
d			
e			
f			
g			
h			
i			
j			
k			
l			

For example, you have a habit of washing your hair everyday, so you will need to buy your favourite shampoo and conditioner, which also happens to be a rather expensive brand. How much do you spend on shampoo and conditioner as a result of this habit? How about shopping during weekends? How much do you normally spend on average each time you go shopping?

If you can break the habits that you have written above without difficulty and contemplation, be proud of yourself. For those habits that are hard for you to get rid of, aren't you curious to find out how to break them?

### **How do you get rid of a bad habit in your behaviour system?**

To delete, get rid of or remove a word, file, software or program inside a computer, you need to press the "Delete" key on the keyboard. As for your brain, how do you delete, get rid of or remove a thought, emotion or an experience?

Unfortunately, there is no "Delete" function in your brain. Based on psychological studies, to delete or get rid of a thought, emotion or an experience, you will need to "create" an event or action that can bring in a new emotion and thought to "overcome" the existing emotion or thought that was first stored in your brain. That is why you are advised to change or improve yourself by behaving differently in order to create a "new" or "different" experience or emotion to encourage the new behaviour.

For example, you may have a habit of drinking coffee at your favourite cafe or shopping at shopping malls simply because it makes you feel good. You know that the coffee that you drink or clothes that you buy are definitely more expensive compared to having coffee at home or buying clothes at a flea market or factory outlet. To save money, you need to break these expensive habits.

Try having coffee at home or shopping at factory outlet and still feel good about it. Your brain will then "capture" the good feeling to replace the previous good feeling of having coffee at your favourite cafe and shopping at shopping malls.

Now, do you get a clear picture of how your brain works? Can you see why you need to change your behaviour? If you want improvements in your life, it can be difficult for you. But nothing ventured, nothing gained. So change

will come at a price and with some sacrifice.

To cultivate good actions, emotions, habits and behaviour that will benefit you financially, you need to:

- Analyse your behaviour, emotions, thoughts or attitude towards an event. If it is good for you financially, take the action. If it is bad for you financially, don't take the action.
- Understand your strengths and weaknesses that lead to an action. Assess the result of the action that will affect you financially.
- Equip yourself with more information and data on the specific issue or areas so that you are knowledgeable enough to decide on an action that will create a positive financial result.

What you are is the result of your actions. You decide on the action you need to take. Create the outcome that you desire and do not let your brain take charge of you.



## REMEMBER THIS:

a. Your brain will store your behaviour, knowledge and experiences related to money based on what you experience previously and what you focus on.

b. The only person who guarantees that your brain will give you good results on your financial success is you!

Now, reflect on your previous exercise on money habits. Do most of your actions and habits have a positive influence on your money? If the answer is Yes, that is excellent. If those actions and habits provide no positive influence, then ask yourself, "what has gone wrong?"

Now, you have the general idea of how you and your brain can create impact on you and your money.

Do you also realise that money can create a different personality out of you? It is called Your Money Self.

## Your Money Self

Besides the many aspects of your physical self, emotional self, social self and spiritual self, do you know that you also have a “money self”? Your “money self” influences your behaviour towards people and situations. What does this mean?

It means your personality changes when money is the subject matter. For instance, have you seen your friend betting on a game, say a football match? Did you suddenly discover the greed in him? Have you heard of a person who is desperate to get some money and decides to lie, cheat, steal or rob? Have you seen good friends, nice relatives, brothers and sisters who love each other or even your loving parents fighting over money? How about you?

What is your “money self”? Are you generally a helpful person but when it comes to money, you turn into a stingy person? Are you a difficult person to work with but generous when it comes to giving treats or gifts to friends and loved ones? Are you a hardworking person but love gambling because gambling is challenging and exciting? How about a friend who borrows money from you? How do you react? Did you lend him money willingly or you didn't like him borrowing money from you?

Describe your “money self” personality where money is concerned. Write it out in the space provided below:

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Can you see the power of money and how it can affect your personality? Think about it.

In the olden days, barter trading was used to “buy things and services”. For instance, an exchange of 2 cows for 10 bags of rice.”

Then, along came the invention of “money”. It is only a medium of exchange for services and products that you need or want. Money may be made of paper for dollar notes and metal for coins. However, it has the power to make you:

- a. happy, powerful, confident, have improved self-esteem, be in control and successful.
- b. sad, depressed, unhappy, have low self-esteem, less confident, powerless and a failure.

There is an inseparable link between you and your unconscious attitudes towards money. Money is a “double-edged” sword. If you have had a bad experience in handling money, often face money problems, lack financial knowledge or mix with the wrong group of people who are a bad influence on your money habits, your brain will store all these experiences in your conscious and subconscious mind.

On the contrary, if you have had good experiences with money, mix with people who give you good money experiences and gained good financial knowledge along the way, your brain will help you make better money decisions.

### **Your Concept of Money**

Your concept of money will be positive when you know:

- a. how your action will affect money.
- b. how money can affect your action.

If you have a negative concept of money, you can alter your attitudes and form a new money concept that provides “richness” instead of “deprivation”. Take a look at the types of people that you mix with, things that you like, situations and environments that you experience which can have positive and negative influence over you and your money.

Are you happy? How can you improve and achieve financial happiness and abundance of wealth? Even as a young adult, you might already have heard of people facing financial difficulties when they least expected it (due to changes in the environment or situations) or sometimes as a result of relationship problems with family, spouse, children, business partners, clients, suppliers, strangers or friends? What is the real world like when money is involved?

## Financial Turmoil in Life

Let us look at some scenarios that will help you to analyse how a person's lifestyle and the unpredictability of life can have a great impact on money.

Imagine the magnitude and impact of financial issues that can possibly happen if one were to face the following situations, just to name a few possible examples.

Examples of situations that can affect money:

- a. If there is a divorce, separation or death of a spouse, can a person start all over with a new life when there is a financial problem caused by the situation?
- b. Can parents of a disabled child (i.e. with problems like Down syndrome, autism, blindness, deafness, muteness) ensure that they are financially ready to care for the needs of their special child?
- c. Can couples avoid money arguments if both of them cannot communicate properly?
- d. Can a business owner start all over again when there is a business failure or bankruptcy involved?
- e. Can a person trust his or her spouse, parent, children or partner if there is financial infidelity between them?
- f. Can a person face retrenchment and remain financially adequate if he or she has not been saving enough or does not have assets to provide income to meet daily expenses?
- g. Can a person survive a financial crisis, slump in the stock market, economic depression or a world crisis that can cause financial turmoil to the economy?
- h. Can a person survive a financial crisis with sufficient money to pay for living expenses if there is a health crisis or an unfortunate accident that disables the person?
- i. Can a person say "No" when a friend, parent, children, relative or loan shark threatens his or her life for money?



- j. Can a person start a “new” financial life and achieve financial freedom if he or she cannot get over bad experiences or memories that haunt him or her from the financial past?
- k. Can a person recover his assets or money lost due to thefts, kidnapping, fire and natural disasters like earthquakes or floods?
- l. If a person has an expensive taste and lifestyle, how long can the person continue to live in that manner especially if he or she is not rich but only a normal income-earner?
- m. Can a person stop throwing away his or her money if he or she happens to be a gambler, drug addict, shopaholic or alcoholic?
- n. Can a person stop getting trapped by advertisements or peer influence to spend money needlessly if he or she is easily influenced by these things?
- o. Can a person survive with limited money if he or she encounters a streak of bad luck or bad feng shui?

Have you heard of a person who starts off being a loan guarantor for a friend, relative or a company and ends up having to bear the loan repayment as a result of loan defaults by the borrower? How about family members, parents, couples, brothers and sisters who argue and fight because of money problems and finally, split up due to irreconcilable differences? Or worse, people committing suicide or getting involved in criminal activities when they don't have money and are unable to pay off debts owing to banks, loan sharks or had lost all the money in the stock market or through gambling at the casino.

There are many more types of situations that can cause financial turmoil for a person. Believe me, the situation can be beyond your expectations and imagination. Each financial turmoil is unique and a person may experience more than one type of situation, either one at a time or all at once. How much financial turmoil will a person possibly encounter throughout his or her life?

What about you? Do you know if you will ever encounter such financial turmoil? I sincerely hope that you will not get into such situations. The possibilities of this happening can be minimised when you work hard at being money-smart. You will then experience financial success.

Can you predict what will happen during the next minute, hour, month or year? Nobody can, least of all you. Even if you think you can, how accurate can you be? Face it. Life is unpredictable! So, be prepared both in and out of season.

Now that you know why money is so important for you as a young adult, don't you think it is highly vital to be matured and equipped with money skills to handle money, use it smartly with immediate effect and be prepared for unexpected situations that can be bad and stressful to your financial life? So, are you facing any financial grievances at the present moment?

If you are, it is time for you to assess your behaviour towards money. Even if you do not have financial grievances, it is wise to know and understand your behaviour so that you can create a better relationship with your money.

## Your Behaviour Towards Money

List out the people who influence your behaviour towards money (for example: mother, father, sister, brother, cousin, aunty, uncle, grandparents, teachers, peers, buddies, boyfriend, girlfriend, friends in and out of school, college or university mates, acquaintances, business associates, strangers you meet, people you meet at social gatherings and many others, just to name a few.)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Do you like how you are being influenced by these people?

- Yes             No

If your answer is Yes, do such influences bring positive effect on your money?

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If your answer is No, what can you do about it?

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## MONEY WORK LIFE

List out the lifestyle, situation, environment and things that influence your behaviour towards money (for example, places that you go to like the internet café, shopping centres, amusement parks, entertainment centres; or advertisements on TV and radio, internet technology, the latest electronic gadgets, television programs, movies, radio talk shows, magazines, music and many more, etc.) .

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Do you like how you are being influenced by such a lifestyle, situation or environment?

- Yes       No

If your answer is Yes, do such influences bring positive effect on your money?

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If your answer is No, what can you do about it?

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## Your Habits Towards Money

Write down either Good or Bad Habits for each of the following actions:

(You may add on to the list if you have other money habits not listed below)

		<b>Habit</b>
i.	Save money in a bank	_____
ii.	Give to charity or donation	_____
iii.	Spend unnecessarily	_____
iv.	Spend on things that I really need for my work and health	_____
v.	Give to friends who borrow from me	_____
vi.	Give to parents	_____
vii.	Invest to make more money	_____
viii.	Give to siblings	_____
ix.	Give to grandparents and relatives	_____
x.	Spend on things that I desire or want	_____
xi.	Spend on my hobbies	_____
xii.	Pay for my food and drinks	_____
xiii.	Pay for my outings with friends	_____
xiv.	Pay for things which make me feel good but are not useful	_____
xv.	Spend on friends to make them happy or to like me more	_____
xvi.	Spend on friends or people to make me happy	_____

**What have you discovered?**

Did you discover that (you can choose more than one answer):

- a. I have many good money habits
- b. I have many bad money habits
- c. I will start to control my bad behaviour and create good money habits.
- d. I need to change my attitude in order to improve my money habits.
- e. I need to seek help to improve my money habits
- f. I have not taken any action to create good money habits and behaviour.

How often do you think logically before you spend your money on the habits that you have?

**Answer :**

- All the time
- Most of the time
- Seldom
- Not at all

Did you discover that your money habits are affected by your emotions?

- Yes
- No

Proceed to the next exercise to find out precisely what emotion makes you spend your money.

## Your Emotions Towards Money

You can control your spending habits simply identifying which are the type of emotions that trigger off your spending habits and managing those emotions. Look at the following list of emotions and tick the “Yes” or “No” box applicable to you.

Type of Emotion		Yes	No
Fear	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Happiness	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Sadness	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Stress	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Friendship	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Lack of confidence	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Love	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Envy	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Competitiveness	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Loneliness	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Desires	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Guilt	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Pity	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Anger	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Excitement	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Appreciation	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Relationship	Makes you spend money?	<input type="radio"/>	<input type="radio"/>

## MONEY WORK LIFE

Jealousy	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Achievement	Makes you spend money?	<input type="radio"/>	<input type="radio"/>
Thrill	Makes you spend money?	<input type="radio"/>	<input type="radio"/>

Do any of these emotions make you spend wisely or foolishly? Can you distinguish which of the above emotions make you spend more money compared to others? It is important that you identify the emotions that make you spend more than is necessary or more than what you can afford.

### **Positive and Negative Emotions**

There is no "bad" or "good" emotion. There are only positive or negative emotions. Positive emotion energizes you whereas negative emotion drains your energy. What are negative emotions that drain your energy away? Can it be depression, sadness, insecurity, fear, pain, jealousy, low self esteem, hatred, lack of confidence, fear, envy, pride, confusion, misery, despair, loneliness, stress, guilt, pity, disappointment, anger or denial?

How about positive emotions that energizes you? Can it be happiness, caring, joy, peace, confidence, respect, self-esteem, pride, passion, excitement, thrill, satisfaction, self-sufficiency, achievements or success?

How can negative or positive emotions affect the way you spend your money? For example, when women feel depressed, some will head for



the shopping mall and buy nice and pretty items or things that they like. To them, shopping generates a happy feeling (positive energy) to overcome the depression (negative energy).

On the other hand, when a person feels happy (positive energy) for instance, when getting a promotion or company recognition, he or she may want to invite friends to celebrate the occasion or buy a nice gift for himself or herself as a personal reward (add more positive energy). Do you see how emotions can work on you and your money? And can you see how money affects you and your emotions? You need to be mindful when you are emotionally driven to spend.

If you are a Smart Money-User, you will be very careful, take your time to evaluate your emotions and think through properly and logically before you make a decision to spend.

Now, write down below the specific emotions that make you spend more money compared to others so that you can clearly identify those emotions in order to control your spending in future.

- i. \_\_\_\_\_
- ii. \_\_\_\_\_
- iii. \_\_\_\_\_
- iv. \_\_\_\_\_

v. \_\_\_\_\_

vi. \_\_\_\_\_

When you can break or overcome emotions by taking charge over them, you can exercise better control over your money situation, use money smartly and wisely, invest it and accumulate more money (and assets) as a result!



For those of you who are less emotional but more logical in your thinking, it is still good to be mindful when and how you spend your money because ultimately, the quantum of your spending has to depend on your affordability.

Spending logically does not mean you are spending wisely, please bear this in mind. Why? Because a seemingly wise decision (logically speaking) to spend may actually end up making you pay for something that is beyond what you can afford. Now, ponder for a minute. When was the last time you spent money meaningfully?

## MONEY WORK LIFE

Do you know that, money can be meaningless to you if:

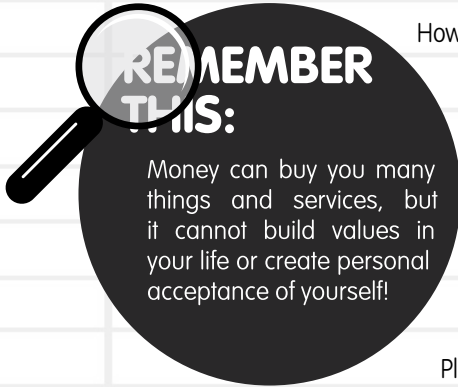
- Money buys you a house, but not a home where you can come back to and feel loved and comfortable.
- Money buys you a clock, but not time that you need for yourself.
- Money buys you a bed, but not comfortable sleep when you are feeling stressed or miserable.
- Money buys you a doctor's service, but not good health if you don't take care of yourself.
- Money can buy you many material things but not respect from your friends.

Can you see the difference in the above statements? Money can buy you many things but can money buy you values in life? So, what are the crucial values in your life?

My values are (you can tick more than one choice):

- |    |  |                       |
|----|--|-----------------------|
| a. | To love and be loved by people                               | <input type="radio"/> |
| b. | Being positive with self-confidence and self-esteem          | <input type="radio"/> |
| c. | Be disciplined, take positive action and don't procrastinate | <input type="radio"/> |
| d. | Listening to self and others                                 | <input type="radio"/> |
| e. | Creating a sense of trust towards others                     | <input type="radio"/> |
| f. | Being committed to self and others                           | <input type="radio"/> |
| g. | Share and give to others                                     | <input type="radio"/> |
| h. | Being true to self and others                                | <input type="radio"/> |

- |    |   |                       |
|----|---|-----------------------|
| i. | Taking 100% responsibility for my own actions | <input type="radio"/> |
| j. | Being open to others                          | <input type="radio"/> |
| k. | Being honest and sincere                      | <input type="radio"/> |
| l. | Being kind and helpful                        | <input type="radio"/> |
| m. | Don't lie, cheat or harm others               | <input type="radio"/> |
| n. | Don't commit any crimes                       | <input type="radio"/> |



How would you feel if:

- You have spent a few minutes or an hour to prepare your monthly cash flow and net worth statement (at the end of every month)?

- You have prepared your Money Action Plan and set your money goals?

- You have saved a little bit everyday in your coin box or a portion of your money in the bank every month?

- You made a promise to yourself that you will make your first \$1 million in 10 years' time?

By doing the above task, do you feel that you are reaffirming your values of loving yourself each time? Of course!

You are actually taking positive actions for your money which will make you feel confident and good about yourself. By the way, do any of the

actions cost you more money like your other habits or is it actually helping you to manage your money better?

With better understanding of how emotions affect you and your actions towards money, applying powerful money principles will create good values in your life.