



The Money JARS:

Your *Magical*
Money
Management
System

Elisabeth Donati

**A Simple System to Make Sure You
ALWAYS Have Money For Everything
You NEED and Everything You WANT.**

Magical Money Management System

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For more information about our unique approach to teaching financial literacy to kids, teens and adults, please give us a call at 805-957-1024 or visit us on the web at www.CreativeWealthIntl.org.

Note: Some of the information for The Money Jars is derived from Peak Potentials Prosperity Jar system.

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Magical Money Management System

Part I: The Magic of Money Jars

WHY YOU NEED A GREAT MONEY MANAGEMENT SYSTEM

If you're like most people, you find it's easier to reach your goals when you've figured out a way to make them happen effortlessly and naturally. Reaching your financial goals is no different.

Most people crave the freedom that comes from having more money coming in to their lives than going out; the challenge is how to make that happen as easily, and as quickly, as possible.

The answer to this challenge lies in the way most people think about money's role in their lives. In addition, every human being grows up with different thoughts, beliefs and attitudes about money and wealth creation and many of those thoughts, beliefs and attitudes are unsupportive when it comes to building wealth. It's no wonder individuals and families struggle so with their finances.

Before we get started, let's get one thing straight...money generally doesn't buy happiness; but most of us quickly admit that having more money in their lives makes life a little, and often a lot, more enjoyable.

Add to this the fact that most divorce is centered around financial issues, more stress is caused by financial challenges and a good deal of physical, mental and substance abuse is spurred by money, and it's easy to recognize money's role in whether you create a world of struggle or a world of joy for yourself.

Assuming that being successful with money would improve your life in some way, let's see how adding a little magic to your money management system (or lack thereof) can help you reduce the financial stress you may be experiencing and bring more joy into your life. Bringing your finances in order generally brings a sense of peace and security to life because it gives you the opportunity to enjoy the things that truly make you happy.

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YOUR MONEY'S MANY JOBS

Most people grow up thinking that money has one job...to spend, i.e., buy things..

If you're lucky, you learn that money has two jobs...to spend and to save.

If you're really lucky, you learn that money has three jobs...to spend, save and invest.

And if you're really, really lucky, you were fortunate enough to grow up in a financially savvy family and you learn that money has four jobs...to spend, save, invest and donate.

What if, however, there were additional jobs for your money that, if put in place properly, would allow you to live the most enjoyable life you could ever imagine? Those two additional jobs are for education and play.

All of these jobs put together comprise a 'system' for managing your money that isn't just amazingly powerful, it's downright brilliant. The use of smart financial systems is one of the reasons financially free people become wealthy, and stay wealthy.

And if you're like most people, you've figured out that if you want to BE wealthy, you must DO what wealthy people DO. Developing and using effective financial systems is one of the many things wealthy people DO incredibly well!

The idea of dividing your money into different categories according to use (using envelopes, jars or bank accounts) and labeling them isn't new; in fact, the basic idea has been around for quite some time.

The addition of a separate education and play component, however, is fairly new. It comes from Peak Potentials' Millionaire Mind Intensive seminar.

Peak Potentials is owned by T. Harv Eker and his programs have changed literally hundreds of thousands of people's lives over the years. Most people would say he knows a thing or two about helping people go from financially stressed to financially savvy. He teaches the Money Jar system because it

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works and it will work for you, too, if you'll use it.

Book Suggestion: #1 NY Times Best seller Secrets of the Millionaire Mind by T. Harv Eker. For more information on this great book and Peak's Seminars, visit www.peakpotentials.com/a/tofreedomandbeyond.

INTRODUCING THE MONEY JARS

This particular system of dividing your money into different categories, for specific purposes, is called The Money Jars. Using the Money Jars system is an integral part of all Creative Wealth's successful financial education programs, both youth and adult. Adults regularly tell us that the most valuable take-a-way from our events, more than anything else, is discovering The Money Jars system. It gives attendees a way to immediately put the most important financial system they need (a way to manage their money) into practice.



The Money Jar system, when used regularly, practically guarantees your success because it makes what you do with your money effortless. It gives you a way to know exactly what to do with every dollar that comes into your life, without you having to think about it.

As with everything, the Money Jars are only effective if you start the system and use it regularly. A few of the many values using Money Jars on a regular basis provide include:

- It's a system that anyone, regardless of income, can put into place quickly and easily.
- It's a system that works, if you work it. (The lack of financial systems is one of the primary reasons poor and middle class people don't ever have enough money to do the things they really want to do in life.)
- Once you start putting money in each of the jars on a regular basis, the accumulation of money helps motivate you to keep using the system. It's like a seed. You plant it in the ground and watch it grow each day, as long as you continue to water and fertilize it, that is.

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There have been enough people in the world who earn minimum wages who have grown wealthy over time simply because they developed a supportive system that worked. This helps prove that it's not always the amount of money coming in to your life that matters; it's the manner in which the money is handled (or not) that matters. It's what you DO with the money.

In our programs, we have a principle...

**"It not how much money you make that's important
...it's how much you keep!"**

The money jar system helps you KEEP more of your money!

Let's look at the many distinctions between poor and middle class people compared to wealthy people:

- Poor and middle-class people spend most of their lives winging why and how they broke or just getting  people spend most of it financially, wonder get to be 80 years old by.
- Poor and middle-class people value different things...poor and middle class people value 'stuff' while rich people value time and freedom.
- Poor and middle-class people spend their money surrounding themselves with creature comforts while rich people 'invest' (rather than spend) their money on assets that eventually provide them with enough passive income to allow them to work because they won't to, not work because they have to.
- Poor and middle-class people often get a second and third job while rich people let their money (and other people's money) get the second and third job. They put their money to work for them instead of them always working for money. This is called "leverage" and leverage is a very good thing! 
- Poor and middle-class people trade their time and energy for money while rich people learn how to leverage or OPTIMIZE (other people's time, energy and money) to make them more money.

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- Poor and middle-class people want to know how much money they're going to make per hour while rich people want to know how many times they will be paid for ever hour they work.
- Poor and middle-class people find excuses and reasons, and blame others, for why things don't turn out the way they 'wish' they would while rich people take 100% responsibility for what shows up in their lives.
- Poor and middle-class people use the wing and a prayer method of manifestation while rich people use proven universal principles to create exactly what they want in life.
- Poor and middle-class people use the words, "I Know That!" because they don't want others to think they don't know what they're doing while rich people constantly look for answers, opportunities and education to help them reach their goals. Rich people constantly ask, "HOW can I...?" and "I wonder why...?" Asking these questions brings the answer to light because it keeps you focused on moving forward toward your goals.
- Poor and middle-class people tend to go it on their own while rich people seek mentors, hang out with others who are working on the same types of goals and projects and support their desired way of life. They have friends who are already wealthy or becoming wealthy at the same time. Birds of a feather DO flock together.

Before we go on, let's look at the important distinction between being wealthy or rich versus being financially free. The distinctions will help you decide which one, or both, is important to you as you move forward.

WEALTHY, RICH AND FINANCIALLY FREE

The definition of 'wealthy' is having an abundance of something.

The definition of 'rich' is having an abundance of money.

The phrase 'financially free' refers to the state of having more than enough money coming in each month in passive income from your assets than you have going out in expenses each month while living your chosen lifestyle.

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They **key** here is that the money coming in is NOT earned income, i.e., money you're trading your time and energy for.

Most poor and middle-class people spend years, and thousands and thousands of dollars, building the 'lifestyle' before they have the passive income producing assets to support it. All of a sudden they are stressed, in debt, blaming, yelling and making excuses when they realize there is nothing actually supporting this lifestyle.

Financially free people always know what their money is doing, where it's coming from, where it's going, how much is where, doing what. They develop systems for everything...because someone either took the time to teach them or they learned by watching what other successful people did with money.

The fact is, if you want to be financially free, you need to do what financially free people do and ALL financially free people have financial systems that got them, and keep them, financially free.

THE BEAUTY OF FINANCIAL SYSTEMS

A great financial system allows you to know exactly what to do when certain financial events happen in your life so you don't have to think about what to do with your money all the time. One of the most beneficial aspects of having solid, well-functioning financial systems in place is that they help keep your emotions from taking over.

We all know that people often spend money and make purchases out of emotion more than anything else so if you can find a way to bypass most of your emotional purchases, you have a better than average chance of short-circuiting your hard wired brain that craves instant gratification, i.e., get the deer now. I'm hungry!

The interesting thing is that it's not that we are instantly gratified, it's really that we are gratified for an instant when we realize that what we bought isn't going to make us any happier in the long run.

Article Suggestion: For a great article on instant gratification, read Why Johnny Can't Save For Retirement, Fortune Magazine, April 2004, available on the web.

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Wealthy people have financial systems for all myriad of financial situations: regular paychecks, bills, investments, accounting, taxes preparation, receipts, appliance manuals, payroll deductions, insurance, car maintenance, house maintenance, mail, chores, rental property income, business profits, bonuses, stock investments, dividends, and a whole lot more.

It's important to recognize that people don't get rich first and THEN develop systems. They become rich BECAUSE they spent time developing their systems first.

The thing is, if developing and following systems will put you securely on the path to that place we call financial freedom and will pretty much guarantee your success, wouldn't you want to develop a slew of them for yourself as soon as possible?

FIRST THINGS FIRST

The first important financial system you need to establish is a basic money management system that automates what you do with your incoming and outgoing financial resources.

Your Money Jars will be part of this basic money management system, in other words, it will automate what you do with all of the money that comes into your life, regardless of the source.

The jar system consists of the following categories, or jobs, for your money. Note: you're free to add your own once you've established the basic system and it's working for you.

- Living Jar
- Freedom Jar
- Savings Jar
- Education Jar
- Play Jar
- Donation Jar



Let's look at each jar and its important role in your life.

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YOUR LIVING JAR:

Your Living Jar money is the money that you live on each month. This money pays your rent or mortgage, utilities, clothes, food, etc. Your credit card payments are also paid with the Living Jar money. It also pays for a few wants that you wish to make part of your daily life IF your income is sufficient and the expenses work into your budget (your NEXT great tool).

YOUR FREEDOM JAR:

Your Freedom Jar will quickly become your favorite jar because once you create it, it can't help but grow. Have you ever heard the saying, What you focus on expands? This applies to your Freedom Jar big time. When you focus on putting money in this jar, you become more and more aware of ways to grow this money for later.

Your Freedom Jar represents the Number One financial habit of all financially free people...Pay Yourself First! Rich people make sure they take care of themselves FIRST, before they pay the rest of their bills. And they make sure they are able to Pay Themselves First by developing sound financial systems and strategies that guarantee they'll be financially free sooner than later. If you've ever heard the story, The Goose that Laid The Golden Egg, you'll recognize this jar as the Goose. And just like in the story, you need to remember to never, ever kill your goose!

The money in this jar isn't 'spent' per se, it's invested into what we call, The Three Pillars of Wealth™: real estate, businesses and the stock market. These are also called assets and are critical to creating financial freedom because the goal is to invest this money assets that will eventually pay you enough Passive Income to live on when you aren't working. (Earned income, on the other hand, is money you trade your time and energy for. You'll never be free if you're always trading your time and energy for money.)

FINANCIAL FREEDOM VS RETIREMENT

Please notice that this jar is NOT called your Retirement Jar! There is a HUGE distinction between being financially free and being retired.

Remember that Financial Freedom, according to Robert Kiyosaki in his book,

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Rich Dad Poor Dad, is when the passive income from your assets exceed the expenses of your 'chosen' lifestyle. You may choose to work when you're financially free...or not. It depends on what you want to do with your life. Many financially free people work more than when they had actual jobs, usually because they spend a ton of time volunteering.

Book Suggestion: Rich Dad Poor Dad by Robert Kiyosaki

Retirement, on the other hand, usually has an age attached to it in most people's minds and means that you are no longer working. A large majority of retired people volunteer and serve on boards of directors of companies and nonprofit organizations but they are rarely paid for their time.

Keep in mind that financial freedom day and retirement may happen at the same time; the point is...they don't have to! You could be 25 and financially free if you play your cards right and invest your time, energy and money in assets that provide you with adequate passive income to live on.

YOUR SAVINGS JAR:

This part of your Money Jar system has two parts:

Part A is for saving up for things you want, like a car or a bike or new phone.

Part B is your Just in Case fund...just in case you get a flat tire, just in case the dryer finally gives up the ghost, just in case Johnny bats a home run through the neighbor's beautiful front window or Karina decides to do something nice for you and mistakenly washes your cell phone!

Financial experts recommend that you have between 3 and 6 months worth of living expenses in this part of the Savings Jar. This money must be liquid, or easy to get your hands on; a bank CD, money market fund or savings account will do the trick.

YOUR EDUCATION JAR:

This is where your new Money Jar system gets interesting. How many times have you, or someone you know, said, I'd love to take that _____ (class, seminar, workshop) but I can't afford to right now?

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What if you always had money to learn new things? Remember back to the Freedom Jar? How many of you actually know HOW to invest in one or more of the assets listed above? Now that you have an education jar, you'll be able to learn anything and everything you need to move you forward.

YOUR PLAY JAR:

Second only after the Freedom Jar, the Play Jar (rhymes with Yeah!) forces us to enjoy the fruits of our labor on a regular basis. Just like holding onto a bar of soap with all your might, money, too, has a tendency to slip from our grip if we hold onto it too hard.

This jar helps the subconscious develop an abundant belief in regard to money because there's always money there to enjoy when you have your Play Jar. For some people, they play too much; for others they never play. The Play Jar puts some structure in the money you play with.

YOUR DONATION JAR:

What if the addition of one new financial habit could be the promise of all great things to come for you? Well, your new Donation Jar may just be that habit. It will contain the money you use to help others and to make the world a better place. You see, when you regularly donate your time, energy and money to help others, it means that you have a belief that there is plenty of whatever it is you need and want to live your life exactly the way you wish.

As long as I've been alive, and as long as I've teaching others, the one consistent thread that makes human beings feel alive and worthy, is helping others. With your Donation Jar, you have the opportunity each month to help others and feel great about yourself.

OK, there you have it...a powerful system for managing your flow of money. In Part II, we'll talk about how to divide your money into each jar and add a few more distinctions that will help you create money management magic in your life. Before long, you'll be watching your money grow, wishing you'd found the Money Jars a long time ago.

Just remember, you're never too young or too old to start learning how

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money works so you can put it to work for you! However, if you wait too long, you can't take advantage of how money grows so beautifully over time.

Note: If you're thinking, even for a second, that you don't you make enough money to use this system, please don't read any further. If you believe there isn't enough money...there will never be enough money. Period.

Enough money is rarely the issue...it's finding the money you're currently waisting that is the challenge. Almost all of us waste a few dollars here and there and even if you just put \$1 each month in everything but your Living Jar, it's a start and that's all you need to do...be willing to start!

Part II: Money Jars in Action

Now that you have an understanding of why it's so important to use financial systems, and you see the powerful benefits of "telling your money where to go instead of always asking where it went", you may be asking yourself, "So, how much goes in each of my Money Jars?"

Great question! I'm so glad you asked.

Though the basic cost of living differs from regions to region in each country, some are definitely more expensive than others. Use the following percentages as a guideline to begin establishing your Money Jar system and you'll soon watch your money grow faster than you ever dreamed possible:

Living Jar:	55%
Freedom Jar:	10% (12-15% for women*)
Savings Jar:	10% until 6 months of living expenses have been saved**
Education Jar:	10%
Play Jar:	10% (must be spent every month)
Donation Jar:	10% (must be spent every month)

* Why the higher percentage of money in the freedom jar for women? Well, women live longer, end up, on average, divorced twice raising the kids, earn less and have 14 fewer earning years because of kids and aging parents.

** Once your 'just in case' account is full, you can take the balance and put

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it into your Freedom Jar or use it to save up for whatever you're saving up for faster.

Now let's go over the type of accounts you'll need because, as you've no doubt figured out, you're probably not using actual jars (unless you want to, of course!).

In addition, many families have an 'extra change' jar. It's amazing how quickly you can save money to spend on your next vacation or to put into your Freedom Jar! For a family vacation, have the whole family put their change in a big jar and watch the fun pile up.

Another way to save up money quickly is to have a jar where you put \$1 bills or \$5 bills when you have them in your purse or wallet. They are small denominations so you won't miss them yet they add up quickly if you create a system to save them instead of spend them.

Here are the accounts you'll need. Again, these are suggestions; there are other options or ideas that will work perfectly fine for you. The important thing is to develop this system so you'll use it!

YOUR LIVING JAR - 55%

The account you use for living expenses is generally a checking account. Whether you have a regular job, take monthly profits from a company or receive some other form of regular income, you can put money into your checking account three ways:

1. Have it deposited directly into the account by your employer or other source.
2. Deposit it manually in the account when you receive it.
3. Manually or automatically deposit your living jar money (55%) into this account from some other account (savings, money market, etc.).

YOUR FREEDOM JAR - 10-15% (MALE VS FEMALE)

The money that goes into this jar isn't necessarily an account, though it may be. If you're just starting your journey into the investment world, you may use an actual savings account to accumulate money to get started. Once

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you have money to invest in the Three Pillars of Wealth, your Freedom Jar money may look as follows:

REAL ESTATE: MONEY INVESTED IN THE REAL ESTATE PILLAR CAN TAKE ON MANY FORMS:

- Rental property (houses, apartments, commercial buildings)
- Land that you lease out to farmers, vendors
- Parking lots (this is a great one!)
- Second mortgages
- R.E.I.T.s (real estate investment trusts)
- As an owner or non-participatory member in an LLC that invests in rentals, foreclosures, houses to buy, repair and sell, etc.

BUSINESS: MONEY INVESTED IN THE BUSINESS PILLAR CAN LOOK LIKE:

- A business you start yourself (product or service)
- An internet marketing business
- Investing in someone else's businesses
- Other passive income strategies like parking lots, vending/ATM machines.

STOCK MARKET: MONEY INVESTED IN THE STOCK MARKET PILLAR CAN TAKE ON MANY FORMS:

- Stocks
- Mutual funds
- Options
- Index Funds
- ETFs
- Bonds

There's hundreds, if not thousands, of other ways to invest in assets that have the potential to produce passive income, including buying tax lien certificates, joining a quality network marketing company, selling product/services on the internet, affiliate marketing and so much more.

Overwhelmed by the choices The Three Pillars of Wealth provide in terms of putting your money to work for you? This is exactly why you have an Education Jar! And why having a highly trained, professional financial advisor to help you navigate the thrilling world of investing is often critical to your success.

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YOUR SAVINGS JAR - 10%

Remember that the purpose of your Savings Jar is really two-fold: a place to 'save up' for things you want to buy and a place to keep readily accessible funds 'just in case' something happens (and don't they always happen when you least expect them?).

Save up for larger purchases in a bank, credit union or online savings account. You could save up for something smaller by putting money in a jar, safe, envelope, etc. at home.

Save up your 3-6 months of living expenses in a saving account at first. Once you get several thousand dollars saved, you may wish to put it in a money market fund or CD (certificate of deposit) for 6-12 months at a time. Though you may have to pay a small penalty if you must withdraw the money early, at least your money is making a higher interest rate while it sits there.

Note: there are several quality online banks that pay higher interest than brick-and-mortar type banks. And always do your research before putting your money in one of these institutes.

Also, if you're not sure if you can really afford a new purchase that is going to require payments (car, house, other larger purchase), pretend you've already bought it for three months by taking the anticipated payment and putting it in your savings account and living on what's left. If it's doable after three months, then you can make the purchase knowing you can easily afford it.

YOUR EDUCATION JAR - 10%

Most adults admit that they learned more after graduating from high school and college than they ever learned in high school or college. This happens for several reasons:

- As you enter the job world, technology, information and required skills change rapidly and college courses may not keep up with these advances.
- Often, professors who teach college courses haven't actually worked in the real world settings they teach about.

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- You may find that what you studied in college isn't what you want to do with your life in regard to supporting yourself financially.
- You realize you must get additional education to move forward with your career or job goals.

Note: Your education jar is not for your children's education, it's for yours! Your child's education is part of your living expenses jar.

Put 10% of your income each month in a simple savings account so when you have the opportunity to attend a seminar or workshop will provide you with valuable skills to move forward in your profession or teach you a new skill to change professions. This way you can easily pay for it. Save up this money and use it whenever you wish.

YOUR PLAY JAR - 10%

The money for this jar can either go into its own savings account or it can be added to your Living jar account where you know how much you have spend each month.

Play with your Play Jar money every month, unless you want to save up for a couple of months for something extra special. Here's some ideas of what to do with your Play money:

Massage, nice wine with dinner, anything but chicken for dinner, new songs for your MP3 player, extra shoes not in your Living account budget, new art supplies, present for a friend, new sheets for your bed, going to the movies with a friend, date night with your significant other, and on and on it goes.

Remember, if you don't enjoy the money you work hard for, it has a tendency to go bye-bye and it's not the buy-buy you might prefer! Believe that there is always plenty to go around and there will be.

YOUR DONATION JAR - 5%

Philanthropy is one of the most powerful traits of financially free people. Donating time, energy and money to help others and to promote worthy

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causes for communities is common place because financially free people believe there is plenty for everyone. They give happily to others because they have practiced sound money management and wealth creation principles that continually provide them with the lifestyles they desire.

Your Donation Jar can be a savings account or it can simply go into your living expenses checking account where you write a check each month to your favorite charity or donate it any way that feels right for you.

Here are some common questions that come up about your new Money Jar System. As you will see, many of the answers fall into the ‘that depends’ category. Your financial goals are different and unique, just like everyone else’s, so the perfect answer for you will depend on many things:

- What you’re willing to do to become financially free.
- What you have planned for yourself and your family in the short, and long, term.
- Your personal preferences in terms of how to use the money in your jar system.
- Your personal thoughts, beliefs and attitudes about money and wealth creation.

FREQUENTLY ASKED QUESTIONS AND ANSWERS

QUESTION: Am I dividing up my take net pay or my gross pay?

Net pay.

QUESTION: What do I do with extra money, like a bonus or dividends from a stock investment account or a gift from a friend or relative?

You use your system to divide the money into your jars exactly as you would divide the rest of your money up. This is why you have a system...so you don’t have to think about it anymore. It’s automatic; you know exactly what to do.

Or...even better yet, take that bonus money and put it all in your Freedom Jar.

QUESTION: What if I get a windfall, i.e., inherit some money? Do I divide it into all of the jar?

It depends on how fast you want to be financially free. If you want this to happen as quickly as possible, invest that money in assets as quickly as possible.

Note: Again, this is why having a savvy financial advisor on your team is so important. At times like this, they can help you determine the best place to invest this extra money.

QUESTION: What's the easiest way to move money from one account to the others?

Since human beings thrive on convenience, it's a great idea to have money transferred from one account into the other accounts using 'automatic transfers.' You can put in place through your banking institution.

If you are already contributing to an employer sponsored retirement plan (401K, 403B), you are having those contributions 'automatically deducted' from your gross paycheck (income before taxes).

If you receive a regular paycheck with a set amount each pay period, it's easy to contact your bank and set up automatic transfers into your other Money Jar accounts.

If you don't like the idea of having money automatically transferred and would like to maintain more control over the transfers, it's a simple process to do this online from your home computer as well. Most banks, credit unions and investment account companies (TD-Ameritrade, Scott Trade, etc.) make the process easy.

QUESTION: If I am already contributing to a 401K, 403B or other employer sponsored retirement program, do I still need to have a Freedom Jar account?

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Again, the answer to this question depends on how quickly you want to be financially free.

The fact is, the more money you put away every month into income producing assets, the quicker you can work because you want to, not because you have to.

QUESTION: What if my living expenses are more than 55% of my take home pay?

That's a great question. The answer, as you may have guessed, falls in that 'it depends' category. If you're saying to yourself right now, "I can't possibly lower my living expenses. I have this to pay for and that to pay for," here's another question to consider...Are you UNABLE or UNWILLING to reduce your living expenses.

- Do you need two new cars with large monthly payments or could you trade one of them in for a used car that would suffice for a few years?
- Could you rent out a room or two in your home or downsize for a period of time while you get your finances handled?
- Could you stop watching 400 stations of worthless television or cancel a few subscriptions?
- Could you workout outside and in your home instead of belonging to that health club?

Again, the question you need to answer is, "What are you willing to do to set yourself up for a life of financial security, freedom to have what you need and want, and the joyful ability to provide for those you love and care about?"

Once you answer this question, you will find a way to reduce your living expenses to 55% (or less!).

Are there other options? Sure, you could get a second job, start an internet business, start going to garage and yard sales to find stuff to sell on E-bay or Craigslist...the opportunities are truly endless.

QUESTION: What if I want to pay for things using a credit card to get miles or points. Is this OK and if so, what is the best way to do it?

This is absolutely OK. As long as you're able to pay the bill off in full each month with the money in your jars, this is a great way to go on vacation for FREE! Be sure to choose a card that gives you points but doesn't charge a yearly fee.

Website Suggestion: To find the best card, visit www.cardratings.com.

If you are in a relationship where you're going to set up couple's jar accounts as well, each person should have their own credit card in addition to the one card you're using to designate couple's purchases.

If you want to use the same card to get more points together, get one account that will allow several card holders. Each person will have his own sub-account and the purchases are divided up on the bill. Be sure to ask if this is possible when you choose the card you'll be using for this purpose.

Book Suggestion: *How to Profit From Your Credit Cards* by Curtis Arnold.

QUESTION: What if I have several different types of purchases on one credit card. Is there an easy way to do this or do I need different credit cards for different types of purchases?

Simply use one credit card to pay for all your purchases. When the bill comes, add up how much comes out of each jar, transfer those amount from the proper account INTO your checking account (Living Jar account) and write one check to pay off your credit card.

For example...Let's say you used your credit card for a \$100 donation to a local charity, a \$60 massage, a \$10 CD, a \$97 workshop and \$400 to pay for a new washer because yours finally died. Assuming you have online banking set up, all you do it log into your account, transfer \$100 from your Donation account, \$400 from your Saving's 'just in case' account, \$97 from your Education account and \$70 from your Play account into your Living account and write the check or pay online. Pretty simple once you have it set up.

Now is it going to take a little figuring on your end? Sure, but isn't being financially free worth finally paying attention to where your money is going

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and how it's working for you? You've been working for it for years; it's time you become the CEO of your own financial future so you can finally do, be, have and create whatever you want for yourself.

QUESTION: What do I do once I save up 3-6 months of living expenses?

Once you have 3-6 months saved up, evaluate your current budget, goals and progress to decide where to put the extra money you were putting in your 'just in case' account. Your Freedom Jar is always a great choice!

QUESTION: What type of Money Jar system works best for couples?

Well, that often depends on the couple's prior financial arrangement. Some couples commingle their finances from the get-go while others have a joint account for household expenses as well as their own savings and investment situations.

Since one of the most common reasons couples separate and divorce is differing financial belief systems and philosophies which lead to disagreements and disharmony over money, it's important that couples develop a system that supports their relationship.

Resentment can easily build when one partner spends more than the other on personal things or spends more than is budgeted by the couple. Because of these situations, it's great for the couple to have its own set of money jars. An exception to this may be if only one person works, supporting the couple, while the other stays home.

Note: In this case, it is critical that both partners in the relationship have the same amount of play money to enjoy each month!

Having a couple's set of Money Jars also helps you plan for the future and create cohesive financial goals together.

QUESTION: What if one person in the couple makes considerably more money than the other?

This is where the couple's Play Jar comes in. If each partner has the same amount of money to play with, resentments are much less likely to occur.

Part III: How To Get Started

The question you should be asking right about now is...

“How do I get started creating my new Money Jar system?”

So glad you asked! There’s nothing more life-changing than immediately taking action with new information. Great job...let’s get you going.

Step One: Call your bank and ask about setting up multiple accounts. Then, if this is possible, ask them to set up four more accounts (assuming you have a checking and savings account already). Many banks allow (and often encourage) you to set up new accounts online as well.

Step Two: Create one of those things called Budget! And it doesn’t have to be fancy. If you’re one of the many people who think ‘jail’ when you hear the B-word, I invite you to reconsider. Think of a budget as just another power tool to help make your dreams come true. Often, when you reframe your previous about a budget, you find that you actually start to enjoy working on, tweaking and evaluating your spending.

Step Three: Once you have the beginnings of a budget set up, determine the starting percentages you’re going to put into each of your jars. And remember, you can have one or more specialty jars in your choose, just make sure the basic jars are handled first.

Step Four: Call the bank or go online and set up automatic transfers between accounts. Generally this means set up transfers between your checking account and the other accounts.

Step Five: When you’re ready, start learning how to invest your freedom jar money using the money in your education jar! This is where the fun begins!

Part IV: A Little “Getting Started” Housekeeping

At this point, if you’re like most people, you may need to do a little, or a lot, of housekeeping. Financial housekeeping that is.

This next step usually takes a some time and energy on your part but the

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return on this investment of time and energy is well worth it!

One of the biggest hurdles to getting a handle on your finances is actually FINDING your finances. In other words, you have to get your financial stuff in order.

For many of you, the idea of putting your finances in order causes you to cringed. There may have been a little piece of you who went screaming into the bedroom, climbed under the covers and now refuses to come out and play.

If this is you, please know...you aren't alone. It's one of many adult's biggest challenges when it comes to moving forward financially.

Follow along and you'll see this next part isn't nearly as challenging as you think it will be. It's actually your 'thinking' that makes it difficult!

This is one of those projects that might be easier with a friend or partner. Find someone in your life who is supportive of your new quest for financial independence and is willing to help keep you focused while you take on this next part.

I can promise you this...if you DON'T do this next piece; you will never get anywhere financially. You will never reach your dreams and you'll never be free. If you don't put your financial papers in order, how will you EVER know where you are?

And if you don't know where you are, how will be EVER be able to get where you want to go? You have to know where your money IS in order to tell it where you want it to GO and what you want it to DO.

So this is what you need to do...

First, create a designated space in your home that will house all of your financial papers...

- Bank statements
- Investment statements
- Real estate files
- Taxes

- Wills and trusts
- All legal contracts and papers
- Life Insurance policies
- Car Insurance policies
- Medical Insurance policies
- Bills
- Passports
- Agreements between you and others
- Titles to things you own, such as cars or boat
- And any other financial or legal papers you might have

If these things are a bit spread out over your house or in a variety of boxes or bags, it very important to get them all in one place.

And if you're one of those people who doesn't open the envelopes, it's time you opened them.

So this is what I suggest:

First, pick a place in your home to be your own private financial headquarters. This can be a room, a space in a room, or just a small desk or and a file cabinet; have enough space and storage capacity for the file folders and envelopes you will need to store everything.

Put everything in piles organized by category. Open every envelope, if you need to, throw away pages you don't need to keep, staple statements together and put them in order oldest to newest so that the newest ones are behind.

Put every statement and legal document in it's own file, label with black or blue ink or use a label maker if you want it to be really neat.

Once you get all of your papers in order, you can move on to the next step.

Part III: Financial Q-tips: Cleaning Between Your Ears

One of the things we know well in terms of people moving from financially stressed and challenged to financially savvy is that no matter how much financial education a person gets, if they don't lay that information on a

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foundation made from a sound, solid, supportive financial belief system, it won't matter a hill of beans.

You'll continue to be in the financial situation you're in right now until you learn what's really driving you your financial choices and behaviors. In simple terms, you have to uncover your "WHY."

Your WHY is what drives you, supports all of your financial choices and decisions, moves you toward or away from your stated goals.

You see, just because you SAY you want something for yourself, it doesn't mean your subconscious agrees with you or supports that goal. This is why it's so important to do what is often referred to as The Inner Work, before you layer on The Outer Work which makes up the bulk of this e-book.

Book Suggestion: Again, one of the best books written about financial belief systems is T. Harv Eker's *Secrets of the Millionaire Mind*.

The following questions will help you start to uncover what's really driving your financial life:

- What did your parents say about money and people with money?
- What did your parents do with money, i.e., how did they handle money?
- What did your parents model for you around money?
- What kinds of experiences did you have with money as a child?
- Were the experiences you had with money as a child positive or negative?
- Did your family talk openly about money or not at all?
- What did your parents actually teach you about money?

Once you begin to explore what creating the current financial YOU, you can then begin to take control and choose the new financial YOU.

Part III: The Money Jars and Children = Successful Adults

So, now that you have a magical money management system for you, how about empowering your kids with this system from the get go. In my book, *The Ultimate Allowance*, I show parents how to take the money they already spend ON their children and run it THROUGH their children giving them thousands of dollars of practice developing positive money skills while they

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are young. This way they'll be able to move out, and stay out, when they're ready to go it on their own.

The system is exactly the same as the adult version; after all, you are raising adults, not children! There is a bit of additional figuring required which involves the actual allowance money and method, but once you start The Ultimate Allowance and set the kids up with their own jars, you're in the process of raising some very financially savvy adults.

For more information, visit www.ultimateallowancebook.com

Here's some questions concerning the money jars right out of The Ultimate Allowance to help you get started.

QUESTION: Do you have to use actual jars and if yes, what kind?

You can use any kind of container you wish; however, it is important that the jars or containers be clear (see-through). The visual accumulation of money is critical in a child's ever-expanding world of money and its meaning in the world. As she puts money into the jars, and watches it accumulate, she is encouraged to add to the jars even more.

As adults, we're encouraged when we look at our bank and investment statements each month and the dollar value is growing. We get excited when we see our investments growing month by month.

And if you haven't started saving and investing yet, now is a perfect time to start, right along with your child. You will enjoy seeing your money grow, too! Believe it or not, your child won't be disappointed, embarrassed or upset that you're just starting out. It's us who have these emotions. Your child will love to do this with you and have you to celebrate with as you both learn together how to save and invest your money over time.

QUESTION: What else could we use as jars?

We've seen children use Zip-Lock bags, plastic peanut butter jars and more. Kids are creative and have fun labeling and decorating their jars. It's a great family activity. Just make room on that dining room table, put on some music, gather markers, tape, paper and any other art supplies you

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have around the house and have at it. The important thing to do is to make learning about and managing their money fun and exciting...not a 'have to' sort of thing because Mom and Dad said so.

QUESTION: What if my child is afraid that someone may take the money out of his jars?

If your child is fearful of losing his money, it's an issue that should be addressed immediately. The fear that he may lose the money he saves is very unhealthy. A child who develops this emotion about money or has an experience where his money is taken or stolen by another, may grow into an adult who doesn't trust others when it comes to money, or maybe anything else in life, for that matter.

Children shouldn't have to live in fear of anything, so ask yourself, why is my child afraid? Deal with whatever comes up as soon as possible to help the child overcome his fear of loss. Then figure out what you can do to ensure that the child's room, and his money, are safe and secure.

As a last resort, get the child a small safe or something with a lock, or better yet, start his first saving's account at a bank close by so it's easy for him to deposit his money on a regular basis.

QUESTION: What if my child is older and doesn't want to keep jars in his room? Are there other options for older kids and teens?

The best answer is to set the child up with his or her own set of jars just like yours...six accounts at a bank.

Otherwise, if your child or teen is computer savvy, and he has at least one, and preferably two, bank accounts; one checking and one savings account, you can do the following: (Make sure they are accounts with no fees.)

Set him up using a spreadsheet in which he inputs the amount of money he is receiving, \$100 for example, and then transfers the amount into 6 or more columns (depending on how many things he is saving for) that represent each jar.

You can set this spreadsheet up to automatically tally the totals as he adds

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and subtracts money to and from his jar accounts. Another idea is to set up the spreadsheet to automatically divide the money into the jars, or columns, using simple calculations based on percentages you put in the program.

When he wants to “spend” his jar money, he simply takes the money out of the appropriate bank account (jar) and makes an adjustment in the jar column. You can also keep track of these accounts by hand, using this spreadsheet and a calculator. For a copy of a blank spreadsheet you can begin with, download one here:

www.ultimateallowancebook.com/UAB/spreadsheetjars.xls

For a simple example of how one to set up your jars using an online bank, download this file: www.creativewealthintl.org/downloads/UAB/INGJars.pdf

Also, a great jar to keep in your home is the classic Spare Change Jar. You can keep one of these jars individually or as a family. Start the simple habit of putting all of your change from your pockets or wallet in this jar each evening. You’ll be surprised at how quickly it adds up.

Conclusion: Systemize to Harmonize

The fact is, until you get your finances in order, it’s challenging to live peacefully, let alone feel secure on a daily basis knowing that you’ve got your basic needs covered and are planning for a day when you can choose to work instead of have to work.

Financial freedom takes work...there’s no doubt about it. And don’t let anyone convince you it doesn’t. Sometimes it comes quickly, sometimes it takes a little longer. But regardless of the time it takes, it is your responsibility...and ONLY your responsibility...to make it happen for yourself.

You truly are the CEO of your own life. Now go be the boss and know that with the proper systems in place and ongoing financial education, AND a little tenacity and patience, you, too, will be financially free sooner than you think.

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Where to Go From Here

When you finally decide to make a change in how you ‘do money’ because you see that it’s not taking you where you want to go financially, sometimes it’s hard to know to get going, where to go, what to read, what to do or who to believe.

My suggestion is to become a life-long student of everything revolving around money...read books on money that get your attention at the bookstore (or library), sign up for seminars, go to free financial meetings (there’s always a tidbit or two to pick up), read people’s blogs on money, personal finance and investing.

Find smart people who resonate with you...the philosophies and value that are most closely aligned with yours and study these people.

More than anything, get a mentor, join or form a mastermind group of others looking to improve their financial situation, too. Napoleon Hill’s book, *Think and Grow Rich*, is a great place to start for anyone wanting to improve their life and finances and he talks in great detail how to start and run a mastermind group. There’s also a ton of information on the web about mastermind groups.

Creative Wealth is dedicated to helping people around the globe improve their financial situations and, at the same time, to invite you to ‘think differently’ about money and what it means in your lives.

We have several blogs and a ton of information on our websites so please check them out. They are listed below.

If we can be of any help to you in your journey toward financial freedom, please feel free to pick up the phone or shoot us an email. We’re happy to lend a hand. And the cheapest and best place to buy jars that we’ve found is The Container Store!

To your best...

Elisabeth Donati

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Our Many Websites:

www.CampMillionaire.com
www.CreativeWealthIntl.org
www.CreativeWealthforWomen.com
www.UltimateAllowanceBook.com
www.CreativeCashForKids.com
www.CreativeWealthPrinciples.com
www.FinancialColoringBooks.com

Blogs:

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