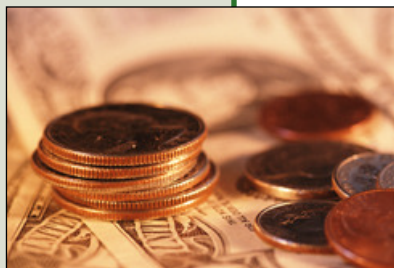


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"...EVERYTHING CAN BE TAKEN FROM A MAN BUT ONE THING: THE LAST OF THE HUMAN FREEDOMS—TO CHOOSE ONE'S ATTITUDE IN ANY GIVEN SET OF CIRCUMSTANCES, TO CHOOSE ONE'S OWN WAY."

— VIKTOR FRANKL



# Secrets of the Money Masters

VOLUME 14, 2002

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## Principles vs. Products

### *Why Principles Never Hurt You Financially*

Isn't it ironic that the methods most financial planners recommend to get money matters under control often require you to spend more of your hard-earned money? Rather than help save you money, these methods actually require you to dish out more for insurance products, investment services, estate planning, and even debt management systems.

While some of these products can be helpful in very specific circumstances, they don't strike at the heart of the real problem behind true money mastery.

Without a foundation of solid, time-proven principles that can help alter the way you think about money and the methods by which

you control it, you may find temporary relief using some of these financial services, but inevitably long-term problems will return. Only through the power of principle-based

thinking can you make lasting and meaningful change.

As Stephen Covey has said in his book, *The 7 Habits of Highly Effective People*, "There are basic principles of effective living, and...people can only experience true success and enduring happiness as they learn and integrate these

principles into their basic character."

### **The Danger of Relying on Products**

Don and Keisha Martinelli\* are a good example of what happens when we do not integrate principles into our lives and rely on products instead. The couple lived on the East Coast and were struggling to make ends meet. They had three boys all under the age of seven and were concerned about financing their children's college education. Don was working 14-hour days as a controller for a corporation in Manhattan, but even with the long hours, they couldn't seem to get their finances under control. Lured by the prospect of a "quick-fix" the Martinellis invested in a business venture that never took off because they didn't have the time to put into it, forcing them into further debt.

### **The Secret Principle**

As the Martinellis learned, the hard way, the road to wealth and security cannot be bought. It must be earned through principle-based thinking.

Principles can do several things for us financially:

1. They help change emotional perceptions about money. This in turn helps us understand why we spend and borrow.

Principles  
Principles  
Principles  
PRINCIPLES  
Principles

2. They help improve family relationships because they advocate a system or plan of action, which in turn eliminates stress.

3. They help us gain immediate control because they point out weak spots and areas that need improving.

4. They help us understand that it's not about the amount of money we make, but rather how wisely we use the money we already have that counts.

...But best of all, *principle-based money management does not require any additional money from your pocket!*

Principles give a grounded and fundamental approach that empowers us and helps us build a solid foundation upon which we can stand, regardless of how our circumstances may change.

As Stephen Covey notes: "Principles are like lighthouses. They are natural laws that cannot be broken....The degree to which people in a society recognize and live in harmony with [principles] moves them toward either survival and stability or disintegration and destruction."

\*Names have been changed.

## As a Man Thinketh by James Allen

What can this timeless masterpiece teach you?

**W**ritten in 1911, *As a Man Thinketh* has become a classic on how our thoughts grow into actions and those actions dictate much of what happens in our lives. Changing the way we deal with difficult problems, including troubling money matters, begins by changing the way we think.

### Character is the Sum of Our Thoughts

James Allen begins the book with the bold statement, "A man is literally *what he thinks*, his character being the complete sum of all his thoughts." If this is true from a financial standpoint, then if we think wealth can only be found by making a larger salary, for example, or that security is only for the rich, we have literally become slaves to our faulty thought processes.

### The Mind...Like a Garden

Allen further explains that a "man's mind may be likened to a garden, which may be intelligently cultivated or allowed to run wild; but whether cultivated or neglected, it must

and will *bring forth*... If no useful seeds are put into it, then an abundance of useless weed-seeds will fall therein, and will continue to produce their kind." Life will happen to us whether we consciously cultivate all the best possibilities for growth and happiness or not. According to Allen, we must plant "useful seeds" if we want to be successful. Such seeds in our financial life include taking the necessary time and effort to learn the rules that govern our financial decisions, to learn how to pay off debt, and to establish new spending habits.

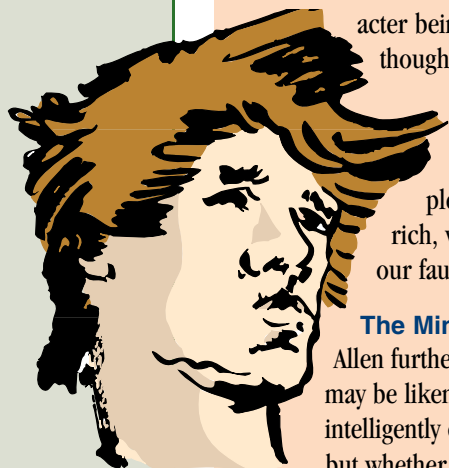
### Man Is Not a Creature of Outside Conditions

Allen also points out that "man is buffeted by circumstances so long as he believes himself to be the creature of outside conditions." It's hard to be a master of our own financial situation so long as we continue to think that our circumstances are beyond our control. At the moment tragedy strikes, a person

(continued on page 3)



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EXPEDIENTS ARE FOR THE HOUR, BUT PRINCIPLES ARE FOR THE AGES.

— HENRY WARD BEECHER

### DID YOU KNOW...

...THAT 93% OF ALL AMERICANS ARE STRUGGLING FINANCIALLY? THIS DIFFICULTY IS DUE, IN PART, FROM TURNING AWAY FROM PRINCIPLED THINKING TO MINDLESS CONSUMERISM.

### FINANCIAL FUNNIES

CLASSIFIED AD IN WEEKLY NEWSPAPER: TIRED OF WORKING FOR ONLY \$9.75 PER HOUR? WE OFFER PROFIT SHARING. STARTING PAY \$7-\$9/HR.

## TAX TIPS

### Think It's Your Accountant's Job To Take Care of Your Taxes? Think Again!

**M**et Joe Barcone. Joe is probably a lot like you. Every year at tax time, he gathers his pay stubs, receipts and other important documents and heads to the accountant. And why not? Isn't Joe's accountant paid to figure out how best to save Joe the most money on April 15? Actually, he's not.

If you're like Joe, you're no different than thousands of Americans who believe their accountant takes care of their taxes — and it's costing you more money than you ever dreamed possible.

Why? First of all, accountants will usually err on the side of conservatism when it comes to deductions in order to avoid the severe IRS penalties that they will incur if they wrongfully counsel their clients. This protects their own pocketbook, but not usually yours. Second, an accountant cannot keep track of your life as well as you can. It's your responsibility to be sure you're not wasting money on excessive taxes.

You probably don't believe it's your doctor's job

to take care of your health, right? You don't think you can eat all the fattening foods you want and then ask your doctor to clean out your arteries every year. So why should you believe it's your accountant's job to take care of your tax bill?

Of course, it may be too late to help your accountant for the 2001 tax year, but now is the time to learn the rules so you can make the most out of next year. Remember, your accountant is only as good as you are!

For information on tax saving seminars in your area, call the Tax Reduction Institute: (800) 874-0829, or refer to the book *Money Mastery, 10 Principles That Will Change Your Financial Life Forever* for details.



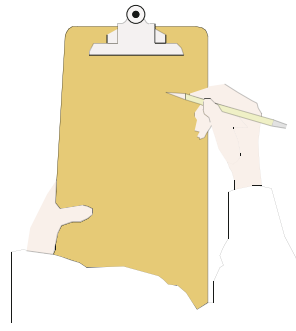
**Q:** I have heard that my credit rating can be negatively affected whenever someone checks my credit report. Is this true? — *M. Smith, Dayton, Ohio*

**A:** Yes, unfortunately it is. Credit card companies warn in fine print on their card contracts that they will bump up your interest rate by as much as 1.5 percent if they see a derogatory credit rating appear on your report. What you may not know, however, is that credit card companies consider any check done on your credit as “derogatory.” That means that if you go to the bank seeking a loan for a new car, for instance, and the bank runs a routine credit check as part of the loan fulfillment process, that check could be interpreted by your credit card company as a negative report and they could feel legally justified in raising your interest rates.

How can you be sure this isn't happening to you? As Money Mastery Principle 5 teaches, first, know the rules! If you are going to play a complex financial game with a credit card company, make sure you read the fine print and you

check your statement often.

Second, if you feel your credit report includes negative or inaccurate information, contact the three major credit reporting agencies (CRAs) listed below. Because more than one CRA may have a file on you, contact each one until you have located all agencies maintaining your report. Then takes steps with these CRAs to correct problems. Equifax: [www.equifax.com](http://www.equifax.com), Experian: [www.experian.com](http://www.experian.com), Trans Union: [www.tuc.com](http://www.tuc.com).



**As a Man Thinketh** (continued from p. 2)

may say, “It’s not my fault that my wife got sick and we had to file bankruptcy...how did I know this was going to happen?” Of course we can’t know the future — that’s why we have to change our thinking about how to be prepared for it. Instead of being a victim at times of illness or job loss, we can be prepared by taking responsibility to save for emergencies in advance of them happening.

**Purpose Brings Forth Accomplishment**

The book also states that, “until thought is linked with purpose there is no intelligent accomplishment.....they who have no central purpose in their life fall an easy prey to petty worries, fears and troubles.” Without correct thinking and purposeful direction, we will be tossed around by life.

Why do the rich get richer and the poor stay poor? The answer is simple. Until a person is willing to change the way they view money and learn and live the laws and principles that govern true money management, they will always be poor. That’s why the Money Mastery principles are so important — they teach people how to think correctly about money, which in turn changes their actions, which in turn affects the outcome of their lives. And that’s why *As a Man Thinketh* is such a powerful message for our time. It stands as a foundation for correct thinking and can help motivate us to embrace the power of principles.

With only 68 pages, this little book packs a lot of punch and is worth the short time it will take to read.

SUCCESS STORIES

**“Living the Principles Changed My Life!”**

“Since joining Money Mastery in August of 1999, I’m more focused on my finances. In November 1999 I was advised to open a savings account. I remember saying ‘I’m putting all extra monies on the credit card bills.’ Which at the time, I thought was more important. Now I’m maintaining \$300 per month and still powering down on the bills. I paid one credit card in full last month. Another card will be paid in full next week. I have targeted another card for later this year and November for another. The last one should be paid off next year. How’s that for short and long-term planning? All monies then will go into savings.



I must say without the guidance of the Money Mastery [Principles], I seriously doubt I would have come this far.” — *Alice F.*

**MARK YOUR CALENDAR!**

*CHOICE PERFORMANCE SEMINARS FOR WOMEN*

EMERYVILLE, CA  
APRIL 22  
MAY 13  
JUNE 10  
JULY 22

LAS VEGAS, NV  
APRIL 15TH

*CHOICE PERFORMANCE SEMINARS FOR MEN AND WOMEN*

LAS VEGAS, NV  
APRIL 16TH

EMERYVILLE, CA  
APRIL 23  
MAY 14  
JUNE 11  
JULY 23

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