

Wall Street Journal and USA Today Best Selling Author

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ACCELERATE



**HOW TO REACH
FINANCIAL FREEDOM FASTER
SO YOU CAN
LIVE THE LIFE YOU WANT**

Chapter 1

What's Stopping You From Accelerating?

"Reaching financial freedom isn't about how much money you have or don't have. It's about how you think about your everyday actions and the choices you make." – Scott Jarred

When it comes to money, there are four things that can happen in your life:

1. You can live with money.
2. You can die with money.
3. You can live without money.
4. You can die without money.

If I asked which one of these scenarios is most frightening to you, what would you answer? If you said, "Living without money," you have the same answer as 98 percent of the world. They say money can't buy happiness—I don't know about you, but I'd rather be trying to figure out happiness *with* money than without it.

Almost half of all families today report the number one source of stress in their life is their financial situation and decisions related to finances. That stress has led to a multiple year trend of more people filing for bankruptcy than divorce—and the one often leads to the other. As of January 2023, 60 percent of American adults live paycheck to paycheck.¹ Less than 50 percent have more than three months of savings at hand at any given time.² 42 percent have less than \$1000 in savings.³ 47 percent of older Americans have less than \$50,000 saved for retirement,⁴ and 32 percent don't have a single dime saved for retirement.⁵ A full 40 percent of retired Americans are living on Social Security alone.⁶

¹ "60% of Americans Now Living Paycheck to Paycheck, Down from 64% a Month Ago," LendingClub, February 28, 2023, <https://ir.lendingclub.com/news/news-details/2023/60-of-Americans-Now-Living-Paycheck-to-Paycheck-Down-from-64-a-Month-Ago/default.aspx>.

² Sarah Foster, "Survey: More Than Half Of Americans Couldn't Cover Three Months of Expenses With Emergency Savings," Bankrate, July 21, 2021, <https://www.bankrate.com/banking/savings/emergency-savings-survey-july-2021/>.

³ Jack Flynn, "20+ Shocking American Savings Statistics [2023]: Average Personal Savings Accounts, Demographics, And Facts – Zippia," Zippia (blog), February 16, 2023, <https://www.zippia.com/advice/american-savings-statistics/>.

⁴ Alessandra Malito, "Nearly One-Third of Older Americans Have Less Than \$10,000 Saved for Retirement," Barron's, June 22, 2022, <https://www.marketwatch.com/story/nearly-one-third-of-older-americans-have-less-than-10-000-for-retirement-11655834396>.

⁵ Kristen Beckman, "58 Million Americans Have No Retirement Savings: How Employers Can Help," BenefitsPRO, February 16, 2023, <https://www.benefitspro.com/2023/02/16/58m-americans-have-no-retirement-savings-how-employers-can-help/>.

⁶ "New Report: 40% of Older Americans Rely Solely on Social Security for Retirement Income," National Institute on Retirement Security, January 14, 2020, <https://www.nirsonline.org/2020/01/new-report-40-of-older-americans-rely-solely-on-social-security-for-retirement-income/>.

Despite these dire statistics, startlingly few people do anything to really improve their financial lives. Most people stay right where they are, rather than starting the journey toward financial freedom and accelerating to the life they want to live.

I don't share this information to scare you, but to awaken you. As we all know, history is doomed to repeat itself unless intentional action is taken. The time for that action is now—and the person who can take action is you, reading this. At Invst, we're here to make sure you are not part of any of those statistics. If living without money is your greatest fear, we're here to make sure that never becomes a reality.

If:

- you feel overwhelmed by the numerous financial institutions flooding you with ideas of products, concepts and solutions,
- you agree that the government makes it difficult for Americans to properly plan for their future,
- you aren't sure what sources of information to use to make your financial decisions,
- you are uncertain how to even begin to make financial decisions in today's fast-paced, ever-changing environment,
- all of this is leading you to keep your foot on the brake instead of accelerating toward financial freedom,

YOU ARE NOT ALONE.

How can you feel confident enough to start your journey? It starts with a simple shift in mindset.

Adjust Your Mindset

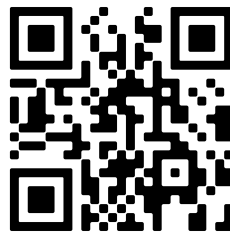
A client came in recently who has quite a bit of money sitting in cash. He completely cashed out of all his investment positions because of the current market volatility, meaning he probably sold at the bottom of the market—and he is 100 percent fearful of the future. He's paying down his three percent, 30-year fixed mortgage at an accelerated rate, and he's overfunding his savings account because he's afraid of the market. Instead of buying low and selling high he's buying high and selling low. He's anxious about how his money is flowing. He's afraid of the unknown. He's not confident in his strategies. And his fear is costing him millions of dollars of future lost opportunity cost that will set him back nearly a decade in lost wealth.

He's frozen, stuck where he is, doing the complete opposite of what smart money does in these times. He's in the accumulation phase of his life, when he should be accelerating, but instead he is living a life of scarcity, trying to navigate all the unknowns. Instead of going forward, he is stuck where he is—and is definitely not accelerating toward having his money work for him and his bigger future.

This client is not living the life he wants because he doesn't know what to do. He's stuck because he's afraid of rolling back downhill, when in fact he should be accelerating to make it up over the hill to the life he wants. When you're in a valley with a hill in front of you, you can't just sit there. You can't make decisions in a valley because you can't see what's ahead. You need to accelerate up the hill. And when you're on the hill, in the accumulation phase of your life, you can't just stay where you are, not moving forward. If you don't embark on that journey, you'll never make it to the top.

Successful people create success when they make the right decisions in the valley. The valley is where you win the game of life. It's what you do in those times that make or break you. It's easy at the top—the peaks are the fun part! It's the decisions you make and actions you take in the valleys of life that will take you to living the life you want. *Accelerate* will teach you the key principles you will need to carry you through the valleys of life.

All of this is a symptom of a scarcity mindset—something I mentioned in my previous book, *#FutureHack*. (If you don't have a copy, get your free one at futurehackmylife.com or scan the QR code below!) A hack is a simple solution to a common problem, and the common problem is moving out of scarcity to abundance.



A scarcity mindset says there isn't enough to go around and gives the illusion that you can't afford to make those small daily choices that inch you closer to success—so you eventually settle instead of living the life you want.

A scarcity mindset makes you think, "I can't do that." The opposite of a scarcity mindset is an abundance mindset, which says, "How *can* I do that?" An abundance mindset believes you can accomplish anything you want by putting your resources to work for you. An abundance mindset views every situation you encounter as an opportunity for success. An abundance mindset knows if you continue to make the right choices every day, you will achieve your goals—and more.

With an abundance mindset, you can do more than just survive—you can thrive. You can create environments that foster your most important goals, that turn your dreams into reality. You can become the CEO and Visionary of your total financial life, putting yourself in a position of control over your own destiny. You can have the confidence to know your future will be bright—because *you* wrote it, which will allow you to accelerate toward financial freedom faster than you ever thought possible.

Reaching financial freedom isn't about how much money you have or don't have. We all have the same potential—success isn't prescribed only to a select few. The difference is those who pursue the life they want understand success takes what it takes. They understand the way they think about their everyday actions and choices makes all the difference.

Understand the Challenges

Even with an abundance mindset, there are still certain challenges to building wealth—challenges that can make you feel like you're just spinning your wheels, stuck in the valley of life. You're working harder and harder just to achieve the same results—like trying to accelerate when your car is in neutral and wondering why you're not getting anywhere.

I recently drove my daughter's Jeep to pull our jet skis out of the lake. I had it down at the end of the ramp into the water, the jet skis were all hooked up, I hit the gas—and went nowhere. The Jeep wouldn't go. Every time I took my foot off the gas pedal, I would slide back further toward the water. I was about to sink my daughter's Jeep—with me in it. Then I realized: the car wouldn't move forward with the tow unless it had four-wheel drive activated. In order to get the car and the jet skis out of the water, I had to be very intentional about when it was time to shift into four-wheel drive, accelerate, and move forward. If I sat idle, the car—and I—would end up underwater. I had to understand the rules and make a change to how I was driving.

It's scary to have your foot on the gas and not move forward. It's scary to feel like if you make one mistake, your financial life will slide backward into the water and sink down with you in it. It's scary to not know why you can't seem to get ahead—why your journey doesn't seem to be getting you closer to the life you want.

The fact is, when it comes to money, it's not what you make that's important—it's what you keep. If your goal is to build up money so you can have an income for your family, but you are just sitting on your money, then your money is not working as hard as you are. In fact, it is actively eroding. There are outside elements affecting your money 24 hours a day, seven days a week, 365 days a year: inflation, lawsuits, planned obsolescence, taxes, unexpected life events, fees and consumer financing, changes in technology, increased standard of living, law changes, wear and tear, market fluctuations, and more.

Understanding the factors eroding your money and what do to about them is critical to building wealth. You can make all the money in the world, but if you lose it to those eroding factors, you still won't build wealth. In the over 2,500 households we've worked with, we have found there are four main challenges to building wealth. The details of each individual situation differ, but the challenge always falls into one—or more—of these categories:

- Lost opportunity cost
- Rules of financial institutions
- Velocity of money
- Lack of organization and coordination

I talk about all of these in more detail in *#FutureHack*, but I'll share a brief summary of each of them here.

Lost Opportunity Cost

I guarantee you: money is leaking out of your life, and you don't even know it. Most people lose five to ten percent of every dollar they put in their pocket—to financial institutions, taxes, poor choice of expenditures, or just not doing anything with that money and letting it sit stagnant. It's like a leak in your engine you don't know about: you keep filling up your gas tank, and the next day the tank is empty again, even though all you did was commute to work and back.

Lost opportunity cost is the money you lose as the result of any particular financial decision versus another. Not only does it consider the present value that was lost, but also the future value that is lost. If you pay \$1,500 in taxes on an investment, not only do you lose \$1,500, but what that \$1,500 would be worth in the future.

Say you are getting a new car. If you lease the car, you can write off the expenses as a business. If you buy the car, you can depreciate it. How do you weigh and measure the tax savings and the lost opportunity cost of one versus the other? Taking into account interest rates and having a car payment, what is the byproduct lost opportunity of that decision? What's the lost opportunity of an investment return that could have accumulated in a tax-deferred account?

Because it's not just the money you lose the one time—it's the compounded effect. You have to take the money you lost at the next best rate of return and look at what that would be over a 10-, 20-, or 30-year period. For example, if you lost one dollar today, what would that dollar have been worth in 10 or 20 years? If you were earning seven percent on it for 10 years, that one dollar would have grown to almost \$20. So really, you lost \$20. In thirty years, every dollar would be worth six times more!

Most people have no conception of all this lost money, and most financial plans are not effective in finding this lost money. If you put one dollar in your pocket and a dime falls out, wouldn't you want to pick up that dime? Well, it's only a dime, so maybe not. But if you put \$1,000 in your pocket and \$100 fell out, you'd want to recapture that \$100, wouldn't you? Most people would be chasing that \$100 bill down the street to get it back!

With every decision about your money, your financial team should consider whether it will create a lost opportunity cost today or in the future—and have a plan to recapture lost money. This allows you to weigh and measure whether that lost opportunity cost is worth it, or whether it is better to recapture that dollar and put it back to work.

Every time you lose money, it's not just the money you lose, but the opportunity it could have given you. One dollar today is worth six times that in 30 years—so really, you've lost the opportunity to grow your money six times over.

If we look at your full financial picture, I guarantee we could find five to ten percent of your money that is falling out of your proverbial pocket. We can recapture that five to ten percent and put it back to work. As shocking as this might sound, this alone can create two to five million dollars' worth of spendable wealth in your lifetime!

But that depends on what you do with that lost money when you find it. Most people, if they find that lost opportunity cost, decide it's easier not to make a real decision about what to do with that money and just put it into a financial institution (i.e., a bank). Not making a decision is a lost opportunity cost as well—because financial institutions themselves present a challenge to building wealth.

The Rules of Financial Institutions

When we place money inside a financial institution, we have to understand the rules financial institutions follow. The agenda of financial institutions is very simple:

1. They want your money.
2. They want it systematically.
3. They want to hold on to it as long as possible.
4. They want to give you back as little as possible when the time comes.

Every product financial institutions offer is designed with those intents.

401ks are a perfect example. For years, employers have provided employees with 401ks. Most of us have one and see it as part of our full financial retirement planning. The financial institution wants your money, and they get it in the form of your contributions to your 401k. They want it systematically—i.e. coming out of every paycheck. They want to hold onto it as long as possible—until you are 59 ½ years old. And if you want that money back, there are consequences: if you want to get it back early, you have to pay a penalty. If you want it back after you turn 59 ½, you'll pay long-term taxes or even higher taxes later. And for all that time, instead of working for you, that money is working for the financial institution.

The rules of financial institutions are not built to empower you. They are not built to help you win—they are built to help the financial institutions you work with win. But knowing these simple rules can help you make different decisions that can free up new money so you can use your money the way you want, rather than succumbing to the agendas of financial institutions.

In fact, you can learn how to manage your money the way banks do. You can take your money and put it to work doing what *you* want it to do, not what somebody else has planned for it. As a consumer, why are your dollars only doing one thing? Why aren't your dollars doing multiple things, the way they do at banks? How do you create more benefits and money supply with one dollar, like a bank does?

That is the next challenge: the velocity of money.

Velocity of Money

What financial institutions understand, and what individuals often fail to understand, is that every dollar can accomplish more than one thing at a time.

Say you take \$100 to your local bank. When you put that money into the bank, the bank doesn't take that \$100 and stick it into a big metal safe like you see in the movies. What they actually do is take those hundred dollars, go to the Federal Reserve, and for a small interest payment (that the bank marks up for you so they can keep the spread), the bank gets a thousand dollars back from the Federal Reserve for that money—ten times its value. Then, they loan those thousand dollars out—not just once, but multiple times.

If you go to the bank for a student loan, they charge you interest. If you go to that same bank for a mortgage, they charge you interest. If you go to that same bank for a credit card, they charge you interest. If you go to that bank for a loan for a new car, they charge you interest. All of those loans come from that same \$1000 they got for your \$100 (plus the many thousands they got from many other people's \$100). The \$100 you put into that bank has now been given back to you four times over—and you're paying a small spread on that \$100 each time.

What if you could put yourself in the middle? What if you could be the bank? Rather than giving financial institutions money and letting them leverage it for multiple spreads, what if we could teach your dollar to do multiple things and create small spreads along the way? That is the velocity of money—the exponential power of what money can do.

It takes money to make money—or rather, it takes the movement of money to make money. That's why you need a team of financial advisors working together to make sure your dollars are creating money even while you sleep.

Lack of Organization

All three of these challenges are united under the overarching theme of the fourth challenge: lack of financial organization and coordination.

Organization and coordination are essential for success. Lack of organization is why people lose. The Vanderbilts were once one of the richest families in the world—but they didn't have their finances organized and coordinated, and they ended up losing all their money. If none of the various systems in your car are communicating with each other, how do you expect that vehicle to function to get you where you want to go?

Let me ask you some questions:

- Are all your finances organized in one place?
- Could you access all of your most important documents, see your current net worth statements, your personal Profit and Loss statements, all updating in real time, on your phone or computer?
- Do you know how all the pieces of your financial life interact with and complement one another?

If your answer is no, you are not alone. When it comes to their financial life, most people have no overarching organization, no rules, and no financial beliefs they live by. They have multiple products that were purchased with no real idea of how they work, multiple different advisors handling different aspects of their financial life, and no rhyme or reason to how any of these elements correlate with each other. It's just a hodgepodge of decisions all thrown together. Trying to create a successful financial future out of this is like trying to play a game of chess without a gameboard: your chances of winning the game are next to none.

The Financial Junk Drawer

We call this common syndrome the financial junk drawer. The financial junk drawer is a composite of all the financial decisions you've made in your lifetime. It's a drawer—metaphorical but often literal as well—that every financial decision you've ever made (plus the statements that come along with those decisions) goes into. Like a junk drawer, there is no coordination or integration of those products, decisions, relationships, and statements. There is no one place you can go and see everything all at one time laid out in an organized way.

When it comes time to deal with finances or make a financial decision, you pull open that drawer and try to lay everything out on the kitchen table. But your kitchen table isn't a gameboard. It hasn't been set up to play the game. It doesn't have any rules outlined. There is no way to really see how all the pieces relate to, interact with, and affect each other, so there is no way to make a holistic financial decision. And God forbid you pass away and leave your family to try and sort out that junk drawer—we've seen that happen far too often.

When you have a financial junk drawer, it can paralyze you. When you reach the point of needing to make a financial decision, you don't have the information you need at hand. All you have is chaos. When your mind is chaotic and unorganized, you tend to make decisions based on emotion, rather than rules and evidence. You don't have the data to weigh and measure your decisions, so you start listening to whoever sounds best in the moment—whether it's Dave Ramsey or your insurance provider or your

coworker at the water cooler who heard about this cool new product you should try. You make an uninformed, emotional decision without understanding the ripple effect on your wealth.

Without organization and coordination, people make financial decisions in a vacuum. Often, you'll have a financial advisor making a decision on your behalf who doesn't understand the entirety of your financial situation. They make decisions in a microeconomic way that impacts their little microeconomic slice of your financial life—but those decisions can have a ripple effect through your entire macroeconomic life. It could be as simple as what kind of mortgage you get, and yet it could deeply impact your wealth, your tax benefits, and many other areas of your financial life.

Understanding all the pieces and how they move is critical to understanding your financial situation—but it's not your fault if you don't have that all clearly laid out. It's not how we are trained to handle our finances or how finances function in America. The average person interacts with 13 financial institutions at any given moment—and often with many hundreds of financial institutions over their lifetime—and each one of those institutions has their own agenda for your money. They're each tugging your dollar in a different direction. Someone from one financial institution is going to give different advice than someone from another financial institution—which will be different than the advice you get from your coworker at the watercooler or from a talking head on the news.

This is why people often find themselves in the middle of their financial life with 13 advisors sitting around them giving instructions—but those 13 advisors have never sat down at a table together and had a conversation about what you want from your money, what you are trying to accomplish, what journey you are on, what you want your life to be.

With organization and coordination, with a gameboard that lays out all the pieces of your financial life and how they connect to and affect each other, all of those microeconomic decisions can be made with a full understanding of their impact on the macroeconomic picture.

You can't win the game of wealth building and own your Personal Economy without an organized, rules-based financial model that helps you evaluate the collective whole. Without organization and coordination, you may be leaking money. With organization and coordination, you can recapture that money. Without organization and coordination, you won't be able to see if a piece is missing, and you'll always have a nagging worry in the back of your mind. When you know that everything is organized and aligned, you don't have to worry about missing pieces. You can have peace of mind and harmony.

Awareness

Not being cognizant of these challenges is like being on a journey and wandering off course without even realizing it. You're getting further from your destination, from the life you want to live, using up your resources, and you can't see where you are going in order to course correct. All these challenges are detrimental—maybe not today, but tomorrow, next week, next month, next year, in five years. But you don't know it until you come to an important decision, a fork in the road—and by then you are totally lost, miles away from where you want to be, with countless obstacles blocking your path back. Once you are aware of these challenges, you can make a plan and develop strategies and processes to remove or avoid those obstacles—or even use them to your advantage.

On an open road with no obstacles, you can accelerate as fast as you want, your journey a clear, straight line to the life you want. Unfortunately, the road of life is never entirely straight and clear. There will

always be obstacles that arise—and these four challenges in particular will never disappear from reality. But if you are cognizant of them, you can maneuver more quickly because you know how to make the right decisions—for your present and for your future.

Know Where You're Going

If you don't know where you are going, if you don't know where your journey leads, if you don't know what future you are trying to reach, you can't accelerate toward it. Without a destination, you have no way of knowing which paths will get you there fastest, which obstacles will throw you off course, which turns will send you out of your way and delay your arrival at the life you want to live.

In order to know where your journey leads, you have to determine what financial freedom means to you.

When we ask clients what financial freedom means to them, we hear many different answers—but over the years, out of thousands of conversations with people from all walks of life, we have found they all come down to four things: freedom of money, freedom of time, freedom of relationships, and freedom of purpose. Dan Sullivan astutely outlined these four freedoms in relation to entrepreneurialism,⁷ but they are equally true for individuals. In every way, shape or form, everything you are fighting for almost certainly fits into one of these categories.

Often, people will say, “I just don't want to have to work forever. I want to be work optional.” That is freedom of time. But you can't get freedom of time without freedom of money. Without money, you don't really have control of your time, because you have to work to earn an income. Freedom of money means being able to generate the cash flow required for you to be able to spend your time doing the things you enjoy.

Once you have freedom of money and freedom of time, who do you want to spend it with? Perhaps you want to spend it with your spouse or your children and grandkids or your best friends. That is freedom of relationships.

And finally, once you have that time, what do you truly want to do? What gives you joy, what fulfills you, what gives you purpose? Instead of spending all your time and energy working on something you're not passionate about just to pay the bills, you can do what truly gives meaning to your life. That is freedom of purpose.

What is *Your* Freedom?

These are the basic tenets of financial freedom. Now, you just need to plug in the specifics of what they mean for you and your financial world. What purpose does money serve in your life? Sure, it allows you to buy things, but think deeper than that. What does money truly enable you to do?

These are the values that money helps you fulfill. These questions are the building blocks of your personal philosophy. That philosophy will dictate how you're going to approach your financial life, and it

⁷ Dan Sullivan, “The 4 Freedoms That Motivate Successful Entrepreneurs,” Strategic Coach, accessed March 13, 2023, <https://resources.strategiccoach.com/the-multiplier-mindset-blog/the-4-freedoms-that-motivate-successful-entrepreneurs>.

will change your entire view of what living the life you want can truly mean—and how the financial decisions you make can turn those dreams into reality.

Once you articulate what you are fighting for, what freedom means specifically for you, then you can start putting the financial side into place behind it. You can determine what financial success means to you. You can articulate, if we were sitting here three years from now, what would need to happen for you to feel financially successful, what dramatic impacts on your life you would need to see.

We're not here to tell you what to believe. You have to decide that for yourself. We're simply here to help you discover your "why" behind money, to help you craft your individual philosophy and in turn facilitate effective action to fulfill that philosophy. Our goal is to give you the pen and let you design the life you want to live, design what financial freedom looks like for you, design your own story, journey, and destiny. Our job is to help educate, guide and counsel you on that journey so you can accelerate to the life you want for you, your family, and your future.

When you know where you are going, when you know where the road leads, you can tell whether or not you are on track, whether or not you are moving in the right direction. For the first time in your life, you can now pre-set your financial GPS and know exactly where you are going. And once you have that road before you, once you know what's over the horizon, once you know what obstacles may lie in your way and how to avoid them, once you have your mind set to abundance, there's no reason to waste more time living a life that is not the life you want. It's time to accelerate toward owning your personal economy.

What does accelerating actually look like? Well, to start with, you need a strategy that can handle the journey ahead. At Invst, the heart of that strategy is The Freedom Wheel™.