

IDAHO'S Two Cent Tips

Changing the financial lives of Idahoans, two cents at a time!

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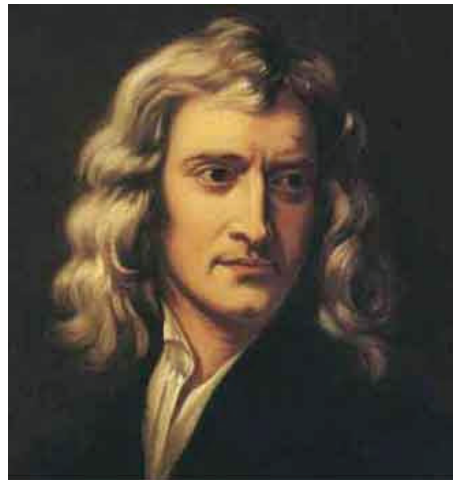
Laws of Financial Freedom

1. Manage Spending
2. Prevent Financial Emergencies
3. Become Debt Free
4. Prepare For Retirement
5. Teach Kids About Money
6. Pay Off Your Home Early
7. Build a Legacy

Laws of Financial Freedom

By Luke Erickson

Without much thought we consistently abide by laws everyday. Some laws are imposed by man, such as the state and federal laws that send those who steal to jail. However some types of laws are far more binding. A thief can sometimes escape from the justice imposed by man-made laws, but there is no escape from the consequences of violating natural or universal laws. Sir Isaac Newton, for example, discovered the universal law that "What goes up, must come down," or in other words, the law of gravity. Just as I discovered, as a wee lad, the law of eating too many Fig Newtons, a law that states, "All that went down will come back up." But I digress.



Yet, even after Mr. Newton (Sir Isaac, not the Fig) discovered gravity, he did not live his life any differently than he had before. He still had to climb stairs, still had to arise from bed every morning and still had to pick up any dropped fig cakes from off the floor and brush them off (there still is no evidence about whether he abided by the 10-second rule, of which there is still debate over man-made or universal origins). But later in the annals of history the Wright brothers discovered other principles that, to the untrained eye, appeared to be violating the very law of gravity. Upon closer examination, of course, it can be understood that the Wright brothers were not violating the law of gravity at all, but were actually working *with* the law, and other universal laws to produce human flight.

Similarly, the Laws of Financial Freedom are also universal, and though I would like to claim their invention I cannot because they have been around since the first caveman traded seashells for insurance, or something like that. Together these laws can be summed up into one phrase, "Control your money, or it will control you." Just like other universal laws, we can live by the laws, or violate them and suffer the loss of financial freedom as a consequence.

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Budgeting

Wise use of Credit

Financial Education for Children

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You cannot judge a person's financial freedom status based on outward appearances. In fact, outward appearances can often be a negative indicator. For example, to the untrained eye large houses and expensive vehicles and other signs of prosperous living indicate financial freedom. But those who understand the laws of financial freedom know that most millionaires (or at least those who will remain millionaires) are those who live next door in modest houses, drive used cars, and have no debt (This is not merely an observation, but is based on research, see the Millionaire Next Door by Thomas J. Stanley and William D. Danko).

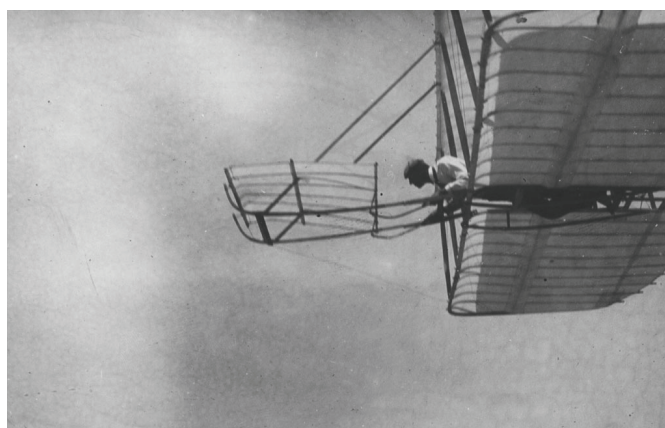
Having money means you can buy any of the things you think you want, and having possessions means you know how to get into debt. But, having financial freedom means knowing *why* you want those things in the first place, what you are giving up to have them, and if your financial decisions will truly bring you closer to achieving your life-goals. This kind of freedom does not come through obtaining large amounts of cash or debt, but rather through understanding what that cash, and other resources can do.

What's more, these financial laws all work together, and in a specific order. It doesn't take too much imagination to visualize a lottery winner who squanders all of his winnings in a year because he violated the first financial law: manage spending. Likewise, imagine a billionaire whose kids grew up dependant and selfish, and were secretly happy when he passed away so that they could squander his lifetime of earnings on frivolous living, all because he violated law five: teach kids about money. Or consider a young couple who bought an extremely large home as an investment, with no plans for actually paying it off, who later had a job loss but had to refuse other out-of-state job offers because they couldn't sell the house, and eventually lost their home to foreclosure, a violation of law six: pay off your home early (which includes "never buy a home without actual plans and goals of paying it off").

You see, wealth is not the winning or inheriting of cash or getting-rich-quick through real-estate-flipping. Wealth is the ability to abide by the laws of financial freedom. Large amounts of cash do not solve problems. In fact, it can often make them worse. Cash has no personality in and of itself, but rather takes on the personality of the user, and greatly amplifies it. Cash in the hands of an individual who understands the laws will be used to add joy to his life and to those around him. Cash in the hands of someone who refuses to abide by these laws will be the source of conflict, greed and discontent in his own life and the lives of others.

University of Idaho Extension is your source for unbiased financial information.

Living by these laws requires you to be very different from most people you know because most people DON'T manage spending, and most people DON'T prepare adequately for financial emergencies, and most people DON'T live debt-free, and most people WON'T become financially free as you will. It's not easy. If it were, everyone would do it. And make no mistake, once you start living by these laws people around you will say you've gone bananas. They'll call you "fool" like they did the Wright brothers and they'll do anything they can to keep you on the ground. They'll repeat statements like, "A new car will have a warranty" or "mortgage interest is tax deductible" or some other nonsense statement that sounds catchy but has nothing to do with the big picture of financial freedom. And just as the Wright Brothers, you will soon be soaring far, far above any naysayers, not because you violated any laws, but because you mastered them.



Seven Money Saving Grocery Shopping Tips (Law 1) By Lyle Hansen

Saving money at the grocery store on a regular basis takes planning and practice. Here is a list of tips that can help you get the most out of your grocery dollars.

1- Create a food budget: Take the time to figure out how much money your budget allows for food each month. Divide your monthly food budget by

how many times you shop each month. Get cash for the budgeted amount and only take that amount to the grocery store. This will assure that you only can spend what you budget.

2- Plan meals and snacks before each shopping trip: Write up a menu of the meals and snacks you plan to prepare for the week, while making sure they are affordable and fit your food budget. Consider using the food you may already have at home on your menu, which will save you money and help clean out the cupboards.

3- Make a list of the foods you will need to prepare your meals: After checking the cupboards, review your menus and make a list to take to the grocery store.

4- Shop the grocery store ads and look for coupons: This will save you money! Some stores will honor competitors coupons and a few will even match prices.

5- Don't shop on an empty stomach: Hungry shoppers usually end up buying unnecessary expensive items.

6- Avoid the end caps: Grocery store end caps are attractively displayed to entice shoppers to make additional purchases.

7- Shop at discount grocery stores: Discount grocery stores usually offer food and other products at deep discounts. The food items are sometimes near the expiration date, dented, or damaged in some way. Although by carefully examining the products you can usually find good quality items and save money!

I hope these tips will help you stick to your food budget and save you money at the grocery store.
Happy Shopping!

