

THE STATESMAN

Volume 8 Issue 10 October 2004

Announcements:

Any veteran or their dependants, who qualifies for the G.I. Bill, may now apply their veteran's benefits toward tuition at GWC.

Need a Financial Mentor? Don't miss the new GWC seminar by proven financial mentors at the GWC quality. [Click Here](#)

Seminars:

October 14-15

[The First Annual Alumni and Friends Gala](#)

November 22-23

[Money... It's Not Just for Rich People!](#)

For a Face to Face with Greatness seminar in your area, [click here.](#)

For a Statesmanship Seminar in your area, [click here.](#)

The George Wythe College Alumni & Friends Gala

We look forward to our upcoming event "George Wythe College First Annual Alumni and Friends Gala" on October 14 and 15th. There are a few openings left for the 2nd day festivities, which is only \$65. Please refer to the schedule on [page 4.](#)

For more newsletters, [click here.](#)

The Magic of Marshmallows and Cocoa:

A Financial Plan
for the Fiscally Flummoxed



Folks entering our home can expect to be greeted, seated, and feasted. [They eat with us; we don't eat them.] Our favorite opening line is "How about a cup of hot cocoa?" Before they even have a chance to answer, they will hear the kettle rattling in the kitchen as Janine sets the water on to boil.

For us, hot cocoa is the single best remedy in the world. Mixing hot cocoa from scratch allows us to pamper our guests and fuss over them while they tell us their news and then listen to ours. There is nothing more civilized than dumping colored powders into hot liquid to create fragrant steam; this simple act of creation invariably instills a deep sense of peace in the participants. [Of course, it could be the major sugar rush produced by the obligatory side courses of marshmallows and scones!]

Nevertheless, the mystical ceremony of shared hot cocoa is most therapeutic, especially to those in need of advice. Should we receive a call from a guest who is upset ... Janine breaks out her magic elixir. No one is immune to the calming effects of this wondrous brew. A single whiff of the sweet fumes of cocoa, sugar and milk, and one's troubles fade like the clouds of melting marshmallows that dissolve into the boiling concoction. Hot cocoa can work wonders to those with a troubled mind.

Why are We So Confused?

What does hot cocoa have to do with your family's financial well-being? More than you would casually guess. It has to do with the amount of stress imposed by crushing debt. The average American household currently carries more than \$9,200 in credit card debt alone. On an average day, we are subjected to 1,200 marketing ads in the forms of television and radio commercials, printed notices in magazines and papers, roadside billboards, and grocery cart flyers; recently, Janine even had a bunch of bananas advise her to watch a specific movie that sported a huge orange cat as its main character.

Excuse me? When did all this heckling start? When was our food suddenly given bragging rights about the upcoming cinema feature? [In fact, the bananas were really most polite; we're bashing the principle here.] We don't have to dwell on the myriad images with which we are barraged each day as companies work their own magic to ensnare consumers like you. Firms want you to part with your hard-earned capital, and they spend billions of dollars each year to investigate, test, and market their wares. In some circles, one is not even considered a patriotic American unless one's money is spent to bolster the economy!

We have spent and spent and spent our money to such an extent that most of us don't have enough resources left to manage our true needs, let alone our wants. We use credit to buy opulent homes and fancy cars, expending cash we don't have merely to keep a facade of perceived success. We sustain this mad behavior because we have been conditioned to believe this way. If we own a cool car, buy the right toothpaste, or carry an expensive watch, then we must be rich, right?

Wrong. Looks can be deceiving, and we all know it. Deep down, we know that conspicuous consumption is not the way to happiness, and yet we still insist on trying to keep up with the Joneses – even as the mounting stress slowly kills us. It is murdering our enjoyment of living, the pleasure of our relationships, and the delight of the blessings we DO have, because we're all too harassed wondering how the bills are going to be paid. For most of us, the choices we have made up to now have not been to our long term

betterment. We've had short term gratification, but our lasting happiness is nil. We cannot truly enjoy a mug of homemade cocoa, because we're too freaked out about the bald tires on the van, the lack of health insurance for our family, and the dental work for our herd of teens.

Fortunately, a simple solution exists for this dilemma. We need to elect a new financial plan. When we choose to spend our money in a more conscious manner, then we simultaneously start saving cash because we're not buying unnecessary stuff. This single lifestyle change allows us to live more simply, so that the smaller things in life provide a magnified sense of pleasure. We are able to truly relax and enjoy the natural contentment afforded by a cup of cocoa, knowing that all is right with the world.

Live Within Your Means

We've hidden in fear for far too long. Now we must act forcefully to reclaim control of our fiscal health. These steps are what we need to do. First, we must take accountability for our current fiscal situation (AKA: mess). If you don't have ANY debt, congratulations! You have a get-out-of-jail-free card, and can move to the section on saving. For the rest of us, it's time to confront our bad habits.

Come on now, we've all made some bad money choices. We have all spent too much on unnecessary stuff. Take some time to write down all your fiscal disasters, and see what the damage has been. How much do you owe? \$5,000? \$15,000? \$50,000? Even more? This reckoning is the hardest part of attaining Financial Freedom.

Now, take responsibility for your prior bad habits, and resolve to stop incurring debt. Destroy all your credit cards but one, then take that card and put it in a large bowl of water and place it in your freezer – where it is available for real emergencies but not for casual use in daily purchases. You can't abuse it if you can't use it. If you don't have the discipline to leave it in the freezer (or if you have already experimented to show that your microwave can thaw ice-bound cards in 3.472 minutes – at the minor cost of destroying the magnetic strip), give the card – still in ice – to a trusted friend or relation. This one action can mean

the difference between financial success and failure, because the surest means of debt relief is to quit adding to the problem.

Many books and websites provide additional recommendations on how to relieve crushing debt. The best advice I've read is *The Complete Cheapskate* by Mary Hunt. This book has a superb Rapid Debt Repayment Plan that is the most practical and reasonable arrangement that I have read. And this acclamation is worth a lot, because I've read extensively on the topic of financial independence (53 books on debt-free living, and counting).

Save, Save, Save

This simple idea is another financial axiom that we know, but usually ignore. We don't save for that "rainy day" or our own retirement or the kids' college fund or a new car or vacation or you name it. As a country, we are on a steep decline in this regard. In 1984 Americans saved 9.4% of personal income, while 20 years later we're barely above 2%! Compare this savings rate with the Japan, where the average savings is 21%. After your debts are retired, saving is absolutely required to secure Financial Freedom. A plush savings account is the means by which we can handle crises with calm rather than hair pulling, donuts, or even more shopping. Most financial advisors suggest that families have at least three months of living expenses put aside for emergencies. Another good rule is to save at least 10% of your income. Arrange to pay yourself this 10% before you start paying bills. The easiest way to accomplish this task is by automatic withdrawals from your paycheck before it ever arrives in your mailbox.

Money Must Flow

So, you've paid your debts and have begun paying yourself. Now that your savings are growing, it is time to exploit another powerful principle of Financial Freedom. It is time to start giving back. This recommendation is a difficult one for most folks, especially if the debts were large (and recent), the wants are many, and the savings are small. The mental effort involved in the decision to give away one's hard-earned money is a struggle similar to running a marathon; many just can't seem to do it. However,

we have learned that by freely giving some of your cash to worthy causes, you will harness a universal law which, in its simplest form can be stated "what goes around, comes around."

Giving monetary gifts is comparable to priming the pump of a small engine. The engine starts slowly and only with great effort if not primed, but rapidly and powerfully if prepared. In your fiscal endeavors, start small and then give more as your affairs prosper. Treat your favorite charity like a regular monthly bill. After a few months, an amazing thing will transpire; money will start flowing to you from unexpected sources. Raises. Inheritances. Refunds from insurance companies. Twenty-dollar bills floating in the wind. The ways that money may enter your life are infinite – but you must make the first move.

Cash Flow

To board your express to Financial Freedom, start by monitoring your cash flow. Where is your money going? Take the next month and write down every penny you spend. Yes, every single one including the 50 cents for the paper. By tracking your expenses, you'll begin to identify purchasing habits that can be modified to bring you equal or greater satisfaction using less money. We found that we splurged too much money on Starbucks' coffee – about \$10 a day. Once we recognized this pattern, we started bringing a thermos of coffee from home, at a cost of \$2 a day (or a savings of \$2080 per year). You may spend your money on different habits. The item is not important. The real point is to find where your cash goes and to ensure that it is being spent on things which add value to your life.

Hot Beverages in Financial Planning

Financial Freedom is a lifelong journey to attain happiness. We have found that such contentment lies in the conscious choices one makes on where to buy stuff (for utility and not just as trophies), how to save with passion, and when to give with generosity. True satisfaction comes to those of us who enjoy with gusto the simple pleasures in life. And that brings us back to the hot cocoa, scones, and marshmallows.

– Janine & Brad Bolon

Janine Bolon has been a self-employed frugality consultant for seven years and is the creator of the SmartCents system of financial empowerment. Brad Bolon is her fiscal guinea pig. On November 22-23,

the Bolons will present a 2-day seminar on money matters at George Wythe College, entitled “Money: It’s Not Just For Rich People”. For course details, [click here](#).

Alumni Cont.

Friday, Oct. 15

7:30-8:20 Registration and complimentary continental breakfast

8:20-9:15 Keynote Address: **The Coming Constitutional Crisis-The Supreme Court Assault on the Family and What Needs to Be Done**, GWC President Dr. Oliver DeMille

Workshops

9:20-10:05

“Accreditation and the New Campus”

Dr. Shanon Brooks & Mr. Scott Wilson

Youth Keynote

“Preparing for Your Mission in Life”

Dr. Julie Earl & Kelly Rogers, M.A.

10:10-10:55

“Shakespeare on Politics”

Nels Jensen, M.A.

“The Nine Nations of North America”

Dr. Larry Daniel

“The Employee Path vs. Entrepreneurship”

Todd Hailstone, M.A.
(Youth)

11:00-11:45

“A Nation of Experts: Modern Evidences of Plato’s Digression”

Dr. Andrew Groft

“Feminism or Stateswomanship?”

Rachel DeMille, M.A.

“Character and Competence”

Mrs. Aneladee Milne
(Youth)

11:50-12:30

“Fatherhood: The Front Line of Statesmanship in the 21st Century”

Dr. Shanon Brooks (Youth and Adults)

“An Educated Woman”

Dr. Julie Earl
(Youth and Adults)

12:30

Lunch Provided by GWC Alumni Association

1:30-3:30

George Wythe College Commencement Ceremony

(Open to the public-no charge)

Presidential Address:

“The Coming Election and What to Expect in the Next Four Years”

Dr. Oliver DeMille

3:30-4:30

Ballroom Dance Class

4:30-6:00

Afternoon Break

6:00-12:30

Evening Festivities Begin (Black Tie)

6:00

Dinner and Stateswomen Cameos: Five Course Dinner

9:00-12:00

Formal Ball

To make your reservations please call Liz Smailes at 435-867-0111 or Cindy Hailstone at 435-586-6570 and they would be glad to help.