

A 21-DAY KICK-START TO
STRESS-FREE MONEY MANAGEMENT

Simple Money,

Rich Life

ACHIEVE TRUE FINANCIAL FREEDOM
& DESIGN A LIFE OF ETERNAL IMPACT

BOB LOTICH

Praise for
Simple Money, Rich Life

“Bob Lotich walks the talk. In *Simple Money, Rich Life*, he’s giving away all the tips, tricks, and tactics he’s employed to personally overcome \$400,000 in debt and hit his own generosity stretch goal of giving away \$1 million. His story is amazing, but it doesn’t have to be unique! This book is full of big steps made in faith, and it’s also full of practical actionable advice to help you reach your own financial goals.”

—MARK BATTERSON,
New York Times bestselling author of *Win the Day*

“Bob is uniquely gifted to take a topic (money) that most tend to find overwhelming and actually make it simple. If that isn’t unique enough, he (with Linda’s help) delivers the lessons with grace in a non-judgmental tone that leaves you gently challenged, excited, and inspired with your finances.”

—CARLOS WHITTAKER, author of *Enter Wild*

“Some books are exceptionally helpful; others can totally change your life. *Simple Money, Rich Life* is the latter. Bob Lotich will guide you through each step on the path of reaching true financial freedom. Buy it. Read it. Apply it.”

—CHUCK BENTLEY, CEO of Crown Financial Ministries

“Are you frustrated that it feels like you are always behind financially and every time you make some bit of progress, there’s another emergency that sets you back again? *Simple Money, Rich Life* will inspire and encourage you that there is hope—even if you have an empty bank account, looming bills, piles of debt, and a too-small paycheck. Best of all, this book will teach you how to not just survive but thrive, and to ultimately be in a position to generously give and make a difference in the lives of others!”

—CRYSTAL PAINE, *New York Times* bestselling author and founder of moneysavingmom.com

“I believe in discernment and discipline over deprivation, so I’ve never been into books that preach hyperfrugality. *Simple Money, Rich Life* is approachable yet packed with biblical inspiration, timeless wisdom, and fresh strategies and tactics that can help you create a truly rich life.”

—PATRICE WASHINGTON, award-winning host of
the *Redefining Wealth* podcast

“Bob succeeds where other financial gurus fail: he tells you not only what to do but how precisely to do it. And he does it all in a way that is centered on Jesus and his gospel. Highly recommended!”

—JORDAN RAYNOR, bestselling author of *Redeeming Your Time*

“There is so much *gold* in this book! Effective money management can sometimes feel like a daunting prospect, but this book is the perfect balance between principles, practical strategies, and inspiration, with actionable steps you can start applying right away.”

—RUTH SOUKUP, *New York Times* bestselling author of
Living Well Spending Less

“Bob and Linda see money and generosity through a completely different lens than most. I admire them greatly. Their authenticity, depth of wisdom, and heart to advance God’s Kingdom are deeply inspiring. This book is your invitation and guidebook to a financial life that you never dreamed possible.”

—JOSHUA BECKER, founder of Becoming Minimalist and author of
The Minimalist Home

“Within these pages lies the blueprint for you to move from merely surviving to thriving financially. The practical wisdom that you will learn will propel you to take action and experience the peace that comes with proper financial stewardship.”

—TALAAT MCNEELY, CEO of His and Her Money

“I love this book. If you’re bored with the plethora of teachings out there about money, saving, and giving, or think you’ve heard it all, Bob Lotich will surprise you. Fresh, unpredictable, practical, and even entrepreneurial, *Simple Money, Rich Life* is a book you’ll be glad you read and applied.”

—CAREY NIEUWHOF, bestselling author of *At Your Best*

“In *Simple Money, Rich Life*, Bob and Linda share exactly how to quickly take control of your money and reveal a fresh approach to stewardship. Their teaching style is easy to understand, won’t leave you feeling guilty for past mistakes, and will inspire and strengthen your faith so you can truly live a rich life.”

—ALEX SEELEY, author of *The Opposite Life*

“Money is hard. Making it, managing it, paying the bills, having enough to go around and not losing your mind in the process—it’s really hard! Want to know how to make it easy? Find someone who’s done that successfully, who’s willing to teach you and then walk with you step-by-step. No judging, no guilt—just simple, easy-to-understand lessons that will fill your heart and soul with giddy joy. Bob Lotich’s done all of that (and boy, does he have a story!) and boiled it down to a simple four-part plan. What you hold in your hands is a golden opportunity to make your money simple and your life rich.”

—MARY HUNT, author of *Debt-Proof Living*

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AUTHOR'S NOTE

If you're anything like me, when you start a new book you're probably a little curious about the author. And you might wonder what he looks like, if he has a weird accent, and, of course, whether he is a dog person or cat person.

For the past 15 years, I have been a full-time blogger, podcast host, and money coach at seedtime.com. Maybe our paths have crossed and you already know all this about me and more.

But if we haven't met yet, grab your phone and visit seedtime.com/hello for a short video from my wife, Linda, and me. We'd love the chance to give you a virtual high five as we set off on this journey together.

Either way, as you read, know that Linda and I have been praying for you. You aren't holding this book by accident. Whether you're currently on a financial mountaintop or in a valley, know that God has much more He wants to do in and through you.

So, go ahead and cozy up with (your favorite animal), grab a cup of (your favorite drink), and let's get to it.

Cheering you on,
Bob Lotich

INTRODUCTION

It was March 5, 2002, the day before my 21st birthday. I had just left the beach and was driving my convertible down a busy Florida road in front of a minor-league ballpark. I had just gotten paid, it was 75 degrees and sunny, and my two best friends were flying in to celebrate my birthday. From the outside looking in, I was living the dream, which made it easy to hide the truth of my financial situation.

Right then my car engine died in the middle of the road. It was so unexpected that I didn't even have time to pull it over to the shoulder. I flipped on my hazard lights, hoping to not get rear-ended as my car rolled to a stop. Panicking, I tried to start the car again and again and again. After about eight attempts, I gave up.

I had no one to call for help. Everyone I knew was at least 1,000 miles away. And my Nokia cell phone's greatest feature was the *Snake* game, not the Uber app.

I looked around and saw a guy directing cars into the ballpark. I walked over to ask if he could help me push the car out of the middle of the road. He said no. *That's okay*, I thought. *With hundreds of cars driving by, I'm sure someone will stop and help.* But no one did. *Cool.*

Trying to keep my male ego intact, I played it cool and acted like I had it all under control. *Don't mind me, I'll just be over here in the middle of this busy street awkwardly pushing my car while steering with one arm.*

Eventually I managed to get the car to the shoulder and climbed

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inside. I sat down and had my freak-out moment as despair began to creep in. I thought through the events that would likely unfold as I realized that my entire financial life was basically a house of cards on a windy day. The truth of my financial mess had finally become impossible to hide.

I'd been on my way to the bank to cash my paycheck so I could pay my rent that was due in about three hours. If I was late, the landlord would tack on a \$50 fee. But my paycheck was just enough to cover the rent, so there was no way I could come up with that extra \$50. I had no savings—only \$7 in my checking account—and I'd been living off the \$264 of available credit left on my credit card.

And now my car's worn-out alternator (a \$60 part) was about to kick off a financial catastrophe. It's amazing how fast a great day can go south when you're living paycheck to paycheck.

Fighting back tears, I grabbed the steering wheel with the same intensity as the fear gripping my heart and mind. I was clueless about what to do next.

As cars continued to drive by, I desperately wanted just a little help, a hug, or someone to tell me it was going to be okay. I felt ashamed, embarrassed, and completely alone.

At this point I wasn't even thinking about how I was going to survive the following weeks or months. Or the fact that I was in a very fast downward spiral with my finances. All I could focus on was the current crisis I found myself in.

This wasn't how my life was supposed to turn out. I had grown up wanting to be an accountant (yes, weirdos like me exist). I had worked at a bank and thought I knew everything about money. So, why was I living paycheck to paycheck, broken down in the middle of the road, racking my brain to figure out how to tow and fix my car with only hours left before my rent was due?

The truth is, everything I had learned and believed about money came from the wrong sources. And because I hadn't even thought to invite God in, I had this mess to show for it.

I thought the answer to my money problems was simply that I

needed *more* money. But I didn't actually need more money (though you could have never convinced me of that then). I needed to learn how to better manage what I had been given.

Sitting in that broken-down convertible with my head in my hands, I cried out to God through hot tears and prayed for wisdom. I decided right then and there that whatever it took, I had to end this financial chaos.

If God had a different path, I was ready to follow.

OUR MONEY EDUCATION HAS COME FROM THE WRONG PLACES

I used to assume my financial mess was just my own bad luck. And sure, we all get dealt different hands. Some people have some big obstacles to overcome. But the truth is, I had been dealt a pretty decent middle-class hand, yet I was still a mess.

Why was that?

I have come to believe that it's because you and I have a lot working against us.

As much as I enjoyed learning how to write cursive and how the Dewey decimal system works, I would argue that knowing how to earn, save, and manage money is essential to almost every human—as important as any subject we learned in school. Yet most of us have received little to no financial education.

This lack of education creates a void that will inevitably be filled one way or another. And so our money “education” has come from all the wrong places. Most of our beliefs about money come from those who have no business teaching us about it: well-meaning (but broke) friends and family, celebrities, Instagram influencers, and credit card companies, to name a few. Even if they aren't explicitly teaching us about money, their influence has become the *de facto* financial education that far too many receive.

And for those of us who sought out a financial education by reading books, the fact is that bookstores are full of money books push-

ing the world's flawed approach. Many don't work, and those that do help you succeed at the wrong thing. It's no wonder we tend to believe that financial success is complicated or that true financial freedom isn't possible.

Like me, at the end of my rope in my broken-down convertible, many of us end up with stacks of overdue bills as we count down the days to payday. And an inability to build decent savings. And a week full of Mondays as we drag ourselves to unfulfilling jobs just because we have to pay the bills. And never-ending money fights with our spouses as we just try to survive.

And to top it all off, many of us feel guilt and shame for not managing money better, when it might not have been our fault in the first place.

The world's way of handling money has failed us. It's time for a new approach.

THE SIMPLE FORMULA

It began with John Wesley, a famed English evangelist and theologian. In one of his writings from the 18th century, I found this:

I gain all I can (namely, by writing) without hurting either my soul or body. I save all I can, not willingly wasting any thing, not a sheet of paper, not a cup of water. . . . Yet by giving all I can, I am effectually secured from "laying up treasures upon earth." Yea, and I am secured from either desiring or endeavouring it, as long as I give all I can.¹

Over the past 15 years, I've been guided by what the Bible says about money, as well as Wesley's words that have served as the primary inspiration for this four-part formula:

Earn all you can. Save all you can. Give all you can. Enjoy it all.

As Linda and I applied this biblically inspired formula to our finances, we began to see miracle after miracle. Our world quickly began changing:

- We were unified with our finances like we had never been before.
- I found work that I was called to, was fulfilling, and actually paid well.
- For the first time in our adult lives, we weren't stressed about money.
- Our savings accounts began to fill up, and we began investing for the future.
- We paid off all our debt by age 31—credit cards, car loans, student loans, and even our house.
- We found ourselves giving more than we dreamed possible. And it became one of our biggest passions in life.

Simply put, we began thriving financially. And it wasn't contingent on our income. Sometimes our income was up; sometimes it was down. Regardless of where life's roller coaster took us, we realized we could thrive.

What if the key to a thriving financial life was simpler than you ever thought possible?

TACTICS, STRATEGIES, AND PRINCIPLES

This formula isn't the *only* way to win with money, but it's by far the best approach I have found in my 15-plus years of study. While I will certainly share my favorite tactics and strategies, the bulk of this book consists of timeless principles—principles you can rely on

year after year for the rest of your life, regardless of the financial hand you have been dealt.

There is one fundamental piece to all this, though: you need all four parts to work together. The power is in their synergy. Just one by itself is considerably weaker than when all four are working together.

As you and I do our part, God will show up and do His. And—no surprise—His part is the big part. Most of the book is designed to help us get in the position that will allow Him to do what He does best.

WHAT THIS BOOK IS NOT

Just so there isn't any confusion, let's get clear about what this book is *not*.

1. It Isn't About Manipulating God into Making You Rich

Following Jesus for how He can prosper us is kind of like marrying someone for money. It's a shell of a relationship. Jesus is the true prize, and God loves us too much to let us settle for anything less. And yes, like any good father, God loves to bless His kids, but chasing the provision rather than the Provider is a mistake. Jesus is always our greatest gift and treasure, far greater than any financial blessings that may come our way.

2. It Isn't a Theological Discourse About Money

This book isn't a theological dissertation; it's an operating manual. We are going to explore some biblical financial concepts, but I also want to arm you with practical advice and tools that are easy to understand and apply. My goal is to connect the dots between the most important financial concepts and the timeless principles laid out in the Bible and then translate them into a highly actionable plan.

3. It Isn't a Guilt and Shame Party

Plenty of financial books try to use guilt to get us to take action. Not this one. I'm not a trust-fund baby who has never known what it's like to experience financial challenges. I've been there. The struggle is real. But the shame I felt about my money situation was only harming me. I didn't need any more added to the pile. So you won't find that in this book. Linda and I will gently stretch your beliefs about money and encourage you to trust in our unfailing God. Consider us good friends helping you become the best version of yourself.

4. It Isn't About *Not* Enjoying Anything in Life

Balance tends to be a struggle for many people when it comes to money. I've seen some people spend every last dime while living for the here and now and some who fearfully hoard every last dime for the future. It's easy to fall to the extremes and miss the mark. This book is going to address both sides so we can walk in a healthy balance to enjoy the moment, enjoy the future, and enjoy giving in light of our eternal purpose.

5. It Isn't a One-Size-Fits-All Approach

You might be doing well financially, or you might be broke. You might have an income as steady as the sun, or you might have never had a consistent income in your life. You might be recovering from uncontrollable spending, or you might be dealing with a crisis through no fault of your own. Because there is no one-size-fits-all approach to money, I promise you there will be something that does *not* fit your situation. That's inevitable when talking about money. But the principles we'll discuss are universal, so if a tactic doesn't apply then just focus on the principle behind it.

WHAT THIS BOOK IS

With that out of the way, let's talk about what this book is: a simple framework that will help you live a truly rich life and make a significant eternal impact. And while the principles contained in it will help you have more money, our definition of a rich life is much further reaching. It's a life of significance, of unparalleled peace, where you are enslaved to no one, free to obey however God leads, and able to enjoy the overflow of generosity in your life.

If you want to experience a truly rich life, this book will show you how, regardless of your current income level. It will require you to do away with old patterns of thinking and change a few old habits as well. But stick with me, and you're going to enjoy the ride.

HOW THE BOOK IS LAID OUT

Simple Money, Rich Life is laid out in four distinctly different parts. And while all four parts are designed to work together, feel free to jump around to your heart's content, or just read front to back.

Part 1: Save All You Can

This section will give you incredibly practical tips and suggestions to help you reframe how you spend money and free up hundreds of dollars a month. You will be a much smarter spender and will have strategies in place to better manage your money for the rest of your life. We're starting with the save section because it's important to have these foundational concepts down before you start earning more.

Part 2: Earn All You Can

Whether you're an employee, freelancer, stay-at-home parent, business owner, or anything else, this section will help you increase your

earning potential. And not with get-rich-quick tactics that rarely work and never last. Instead, we'll examine the keys to earning more in the digital era that we find ourselves living in.

Part 3: Give All You Can

I designed this section to help you see giving in a whole new light. It starts not with giving more but with giving differently. It transforms giving from an obligation into the real adventure of a lifetime that God invites us to join Him on. It also provides practical strategies to help you grow in your generosity and make it more fun than you ever thought possible.

Part 4: Enjoy It All

We can save, earn, and give while being miserable, or we can enjoy it all. Linda and I have come to view it all as worship, as the blessing that it is. This section will focus on how we can enjoy each moment of our financial lives—even the difficult ones.

THE 21-DAY KICK-START

At the end of each of the four parts are five challenges to help you apply what you've learned. Then we have one very important challenge at the end to top it all off. Feel free to do one challenge each day or all five in one day. You get to choose your own adventure here. The challenges are designed to extract some of the most important concepts from the book and give you simple action steps to begin implementing them.

Simple Insight

Visit seedtime.com/bonus to sign up for daily reminders to stay on track with the challenges. You'll probably want to bookmark this page as well because it contains all of the helpful tools and resources shared in this book.

Now for the most important part. With most nonfiction books, the massive impact comes not from reading but from *acting* on what you have read. So don't just read the book. If you want to see changes, then take action. Sound good?*

LINDA IS GOING TO BE JOINING US

I like to tell people that I'm a high-performance money coach married to a high-performance spender. Like most married couples, we're on the same page about some aspects of our financial life—but not all. So my lovely wife, Linda, is going to be chiming in throughout the book like this:

LINDA: Hello there, nice to meet you! If you can't already tell from that introduction, I'm the fun one! I'm here to make sure this doesn't read like any other money book you've ever picked up. If you're married, I might just be the voice of reason to your spouse. Or maybe to you. Either way, I'll be dropping in to encourage you, share a spouse's (and a spender's) perspective, and remind us all not to take this stuff too seriously.

* Giving you a virtual high five *Top Gun* style.

BOB & LINDA



PHOTO © JOSIAH DAMERY

WE ARE ALL ON A JOURNEY

For more than 15 years, I have been studying every Bible verse about money and seeking out every practical strategy for mastering my money. Thanks to the internet and the mind-blowing grace of God, I've had the privilege of sharing money-management techniques, budgeting tips, and investing strategies with over 50 million Seed-Time readers, podcast listeners, and students. I also have the honor of being a financial coach and a Certified Educator in Personal Finance®, and I'm proud to call myself a money nerd.

And yet, even with all this “experience,” I still occasionally do dumb things with money. Just like you, I'm on a journey. A journey of continually learning and getting better with money. And to better understand what God is saying to us through the Bible.

So, let's just imagine that you and I are having coffee. I'm not your financial advisor suggesting a change to your retirement plan. I'm not your pastor trying to counsel you. Just consider me a friend sharing the tips, tools, and revelations that God has used to do a

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complete 180 in our financial lives and the lives of those in our Seed-Time community.

Let's pray and invite God into this journey, expecting Him to show up.

Ready? Let's go.

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PART 1

SAVE ALL YOU CAN

If you would be wealthy, think of saving,
as well as of getting.

—BENJAMIN FRANKLIN

I carried our newborn into our dimly lit bedroom at 3 a.m. and found Linda curled up on the floor, sobbing. As I helped her to her feet, she put her head on my shoulder and through tears said, “I can’t do this anymore.”

She had birthed our third child the week before and was in the new-baby sleep deprivation phase. We’d experienced this phase before, but this time was different.

A few weeks earlier, she had developed a rash. It began on her stomach and spread to her arms and legs. It was so itchy that she was able to sleep only a total of one or two hours a night. The only thing that brought even a hint of relief was a cold shower, and she was taking 10 to 15 a day, desperate to get a few minutes of relief.

I called doctors, spent hours on the internet researching, and bought every cream, pill, and concoction that Amazon and Walgreens sold. We had tried every suggestion from dermatologists, naturopaths, and even the top “experts” (aka Facebook), but nothing worked.

After many days of this, while we dealt with a newborn and two little kids, the sleep deprivation had gotten so bad that Linda was beginning to hallucinate. I wanted nothing more than to fix this problem and end my wife’s suffering. Yet no matter how hard I tried, nothing seemed to work. Now here I was in the middle of the night, in our uncharacteristically disheveled bedroom, holding my dear wife and feeling utterly helpless.

We both hoped that it would just get better as the days went by. But as we entered the second week, we had the terrifying revelation

that it was not going away and it was actually getting worse. It continued for another week and then another with no improvement.

After a month, Linda called her ob-gyn, who happened to also be a good friend and well aware of Linda's condition. That morning, as I wrestled with the baby and quieted the other kids, God intervened.

In the middle of the conversation, the ob-gyn remembered the details of an allergic reaction that Linda had had many years before to a particular medicine. She had been taking the medicine all throughout the pregnancy with no reaction at all, but according to our doctor friend, being pregnant can sometimes suppress certain allergic reactions. Now that Linda was no longer pregnant, she theorized that the reaction could be back.

We had tried so many things that others had suggested. We had gotten our hopes up so many times over those torturous weeks, only to be disappointed every time. We were both so worn down from trying stuff that Linda wasn't even sure it was worth testing. The likelihood was that nothing would come of it at all—just like the dozens of other attempts that had failed.

But I convinced Linda that it was worth pausing the medicine for a weeklong test to see what would happen. Within a day, the itchiness began to subside, and she was soon able to sleep like a normal mom of a newborn.

LINDA: Never could I have imagined that the normal amount of sleep with a newborn would be so refreshing!

We had tried everything and gotten nowhere. But that one divinely inspired memory was the key that unlocked the solution.

Sometimes you try thing after thing after thing with no success. Disappointment settles in, and it feels reasonable to assume that if all these things failed, then nothing will work. However, the truth is, you might have a key chain with 25 keys on it but only one is going to actually unlock the door for you.

It doesn't matter that you have tried 10, 15, or 20 times with no success. There is a key on that key chain that will open the door. And when you find the right one, it can change everything.

FINANCIALLY STUCK

Has your financial life ever felt like this? Maybe you have tried all the budgets, expert financial advice, and debt-payoff plans but nothing has worked. Maybe you are so worn down from trying stuff that you have all but given up. Maybe you are flat-out convinced that if there were a better way, you would have discovered it by now.

I know that feeling of being stuck in a dark hole where despair sinks in and you can't imagine climbing out. I've been there. Then I found that one seemingly tiny change—that one key—that changed our world forever.

In this section, I'm going to share many simple, God-inspired ideas that have blown our minds. Just like Linda did after taking every pill, using every lotion, and trying every trick to get rid of that rash, we finally found the one thing that made all the difference.

THE FIRST PART OF THE FORMULA: SAVE ALL YOU CAN

Just to be clear, when I say "save all you can," it isn't just about filling up a savings account. Instead, the focus is on reducing expenses and saving money on things that you regularly purchase, which will in turn provide you with more available income.

Most people tend to think that their money problems are a result of not having enough income. And for some of us, that is the case, but I have found that the vast majority of people in the Western world can feel a lot wealthier without earning any more money. It's all about finding hidden money in the most unexpected places.

You're probably thinking one of two things right now:

1. *Where is all this money going to come from? I'm already careful and diligent, so there is no way hidden money is just sitting around.* (Hang tight. We'll get there.)
2. *Oh no. This must be one of those penny-pinching, hyperfrugality books.* (Don't worry. I am not that guy. This is not that book.)

I am more into big wins that don't have a huge effect on my standard of living. I don't want to live like a pauper, and the good news is, we don't have to. I live and breathe this stuff. I specialize in (and get a thrill from) finding the most painless methods that yield the biggest results. As a matter of fact, you'll probably find that this section alone will pay for this book many times over.

We're going to dig into a lot of new ideas, so keep an open mind and be willing to try new things. By the end of this first part, I believe you're going to be on your way to some big financial wins.



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CHAPTER 1

THE BATTLE IS HIS, BUT YOU HAVE TO SHOW UP

For the past few years, four simple words posted on my office wall have served as a constant reminder of God's role in the challenges I face:

The battle is His.

About 3,000 years ago, the people of Judah had three separate armies coming to wage war against them.* They were vastly outnumbered, and they recognized their weakness: "We have no power to face this vast army that is attacking us. We do not know what to do, but our eyes are on you."¹ Judah knew they couldn't win this battle alone. So they turned to God.

Then the prophet Jahaziel spoke up, saying, "Listen, King Jehoshaphat and all who live in Judah and Jerusalem! This is what the LORD says to you: 'Do not be afraid or discouraged because of this vast army. For the battle is not yours, but God's.'"

He continued, "Tomorrow march down against them. . . . You will not have to fight this battle. Take up your positions; stand firm and see the deliverance the LORD will give you, Judah and Jerusalem. Do not be afraid; do not be discouraged. Go out to face them tomorrow, and the LORD will be with you."²

* This is one of my favorite stories in the Bible. Go look up 2 Chronicles 20, and notice how God not only solved their problem but also provided a huge blessing that they would have missed if they hadn't shown up.

Did you catch that? God required the army of Judah to march down to the battle line. If God was going to fight the battle for them, then why couldn't they just sit inside the walls of the city, where it was comfortable and safe?

Yes, the battle was the Lord's, but they had to show up. The same is true of your financial situation—the battle is the Lord's, but *you* have to show up.

LET HIM FIGHT YOUR FINANCIAL BATTLE

I know firsthand how discouraging it is when you're looking at massive debt, insufficient income, or never-ending expenses and feel like you'll never be able to overcome it.

I remember looking at my mountain of debt and thinking, *I'm never going to get this paid off*. Then I compared that with our tiny salaries, and it honestly felt hopeless. I mean, it seemed like there was only about \$50 left at the end of the month. It seriously looked like it would take 30 years to become debt-free.

But here is the thing. Our God is in the business of freeing people from bondage. I know that includes the bondage of sin, but I'm convinced it also includes financial bondage—especially debt.

Let me share a secret with you. You want to know what testimony I have heard more than anything else from our SeedTime community? It goes something like this:

We had [a huge amount of debt] that we wanted to pay off. When we looked at our income, it looked like it would take us [a crazy amount of time] to get it paid off. We felt discouraged and wondered whether our effort would even make a difference. But we prayed and felt God leading us to do [an unconventional thing that we thought wouldn't help at all]. But we decided to obey His leading. As we did, we saw the debt paid off way faster than we ever dreamed possible. We have no doubt this was God's doing.

This is our story too. As we took steps and trusted God to do His part, we experienced miracles and watched our mountain of debt disappear within about three years.

No matter how big your financial challenge is, the battle isn't yours. The battle is the Lord's. But *you* have to show up. Don't make the mistake of thinking that because it's His battle, He won't require you to do *something*. And often that something has to be done before you see the miracle:

- Jehoshaphat and Judah had to march down to the battle line against a far superior army *before* God delivered them.
- Moses had to walk up to the Red Sea and stretch out his staff *before* it parted.
- The disciples had to begin distributing the food *before* it was multiplied to feed the 5,000.

If they hadn't acted on their faith, do you think those miracles would have happened?

God is bigger than any financial problem we face, but we have to be willing to step out in faith to see the miracle. Oftentimes that step of faith is a natural step that allows God to do the supernatural.

HOW TO OUTFRAN A CHARIOT

I once heard Pastor Chris Durso preach a sermon with some insightful commentary on an easily overlooked verse. In 1 Kings, we see Elijah do something pretty crazy. "The LORD gave special strength to Elijah. He tucked his cloak into his belt and ran ahead of Ahab's chariot all the way to the entrance of Jezreel."³

Elijah outran a chariot, but before he did, he tied up his cloak. If God had given him supernatural speed but he'd been tripping on his cloak the whole way, he probably wouldn't have outrun the chariot.

Elijah took the *natural* step so the *supernatural* thing that God was going to do wouldn't be hindered.

When we take
the natural step
while prayerfully
asking God to do
the supernatural,
we open the door
for the miraculous.

God wants to do the supernatural in your financial life, but what steps are you taking to allow the supernatural to flow unhindered? King Jehoshaphat and his army had to march to the battle line in order to see the miracle.* When we take the natural step while prayerfully asking God to do the supernatural, we open the door for the miraculous.

Could it be that some of the practical steps laid out in this book are going to allow God to do the supernatural in your life?

LINDA: I have found the biggest breakthroughs when I remember that my job is to take natural steps, which usually gets me out of God's way so He has room to do the supernatural. When we do our part, we see how big the mountain is, how impossible it is to scale without His help, which makes it clear who really deserves all the glory. And it becomes easy to point back to God, because when you see a miracle, you can't help but tell people! So, show up, do your part, and watch the deliverance of the Lord.

In the rest of the book, I'll lay out some simple steps that have made room for God to do the supernatural in our lives. The first is determining your AUM.

* Interesting sidenote: their answer to prayer came as soon as they began worshipping.

CHAPTER 2

AUM: THE SECOND MOST IMPORTANT METRIC*

If you've ever started a weight-loss program, you know the first step is hopping on the scale. Why? Because you want to see your starting point to be able to measure progress, right?

And if you're like most people, you continue to step on the scale weekly or maybe even daily. Why? Because you want to see whether you're making progress, right? You want to see whether all this work you're putting in is yielding any result.

For some reason, we tend to understand the importance of tracking and reporting with weight-loss goals but not with financial goals. You would never set a goal to lose 20 pounds and then measure success by how loose your sweatpants are. Sure, it may be an indicator that you're going in the right direction, but it's a terrible way to track progress.

When it comes to money, most people use the wrong metrics to track their financial progress and wonder why they aren't reaching their goals. If you're going by how things feel, you'll never see the full picture. You're seeing only part of the picture if you're looking at any of the following:

- how tight money feels at the end of the month

* No, you didn't zone out for the most important metric. I'm just saving it for part 3 to keep you in suspense.

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- your checking account balance
- your credit card balance

Each is a metric that gives an incomplete picture of financial progress. Luckily, there is a much better way. For weight loss, it's a scale. For financial progress, it's what I call Assets Under Management (AUM).

Simple Insight

Most assume that having a good income means you're doing well financially, but oftentimes that isn't true. On the other hand, some people assume that their low salary means they're doomed financially. And that definitely isn't true.

AUM is one number that conclusively tells you how you're doing financially. It shows you what is really going on with your money, instead of what you think (or hope) is going on. Many financial experts refer to this as your net worth, but I prefer AUM for two key reasons:

- 1. It helps me keep a proper perspective of money and possessions.** Specifically that they aren't actually mine. Rather, I'm a manager (or steward) of what God has entrusted to me for a short time. When we understand that everything in our possession (houses, cars, money, etc.) is not actually ours but should be managed for His purposes and glory, AUM seems like a more accurate and appropriate name.
- 2. The thought of any number being labeled my "net worth" is pretty insulting.** You and I are intricately and lovingly de-

signed by God for a unique purpose. We have so much value (regardless of our financial successes or failures) that Jesus came to die for us. To say that the sum of my worth is a particular dollar amount doesn't sit well with me. Additionally, when you believe that any amount of money defines your worth, you're more tempted to look to that number for your identity, rather than to God.

LINDA: Just to further Bob's point, I want to remind you that God knew you before the foundation of the world. He was extremely intentional about when you would be born. Only you can add to the world what God created you to add. You're so important and significant. Pushing through the difficult things—like money—will only increase your impact. In other words, you were born for this.

WHY AUM TRUMPS DEBT TRACKING

Some people use the amount of debt they have as their sole metric of financial success. The less debt, the better their progress. No debt? You win!

While debt elimination is a great goal, using it as a tracking tool doesn't give you the full picture of what is going on in your financial life. AUM will allow you to continue tracking your financial progress even if you've eliminated all your debt. And trust me—there is a financial life *after* you pay off debt.

LINDA: Yeah, baby! And it's so good!

And if that wasn't enough, AUM is just more encouraging. When you track your progress by looking at your debt, you're seeing only the fruit of paying down those debts. On the other hand, your AUM can increase with every good financial decision you make.

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For example, you can increase your AUM with the following actions:

- paying off credit cards or car loans
- paying more toward your mortgage
- buying property
- funding a Roth IRA
- contributing to your 401(k) or 403(b)
- adding money to savings
- buying index funds, mutual funds, or dividend-paying stocks
- even just not spending as much money

By using AUM as your metric to track, you'll find there are far more opportunities to move the financial needle than just paying off debts. So if you want to see constant progress toward your money goals, then start tracking your AUM, my friend.

CALCULATE YOUR AUM

Determining your AUM is really just a second-grade math problem. Take your assets (things you own), and subtract your debts. Here's the breakdown.

Total Your Assets

First, list every asset you can think of. Your house, vehicles, retirement accounts, investments, savings accounts, checking accounts, emergency fund, jewelry, and anything else similar would fall in this

category. Really anything that has a dollar value or that you could realistically sell.

To get real estate values, you can use zillow.com to get a rough estimate of what your home is worth. For automobiles, check out KBB.com to see what they could be sold for. For all your checking, savings, and investment accounts, check the balances online or use your most recent statement.

You can include any items around your house that have value, but I suggest being conservative. For the purposes of sanity and simplicity, I don't bother with items under about \$250. Yeah, I'm sure I could find someone on eBay to buy my socks, but I'm just looking for a general picture. I lump all these smaller items together on one line

Your Kick-Start

Want to jump ahead and
complete your related challenge?
Go to page 88 for details.

called "Misc. Items" and take a conservative guess as to what they could be sold for.

Once you have everything listed with the estimated value, total your assets.

Total Your Debts (Liabilities)

A few lines below the asset total, you're going to list every debt you have. Mortgages, car loans, credit cards, student loans, medical debt, that money you borrowed from Grandma—they all apply. Do the same as above, checking balances on each one, and then total your debts.

Subtract Them

Now you can subtract your debt total from your asset total, and—voilà!—you have your AUM. Date it and save it.

Where to Do This

If you're into paper, do it on paper. Or you can calculate it using a simple worksheet like this:*

Assets	
Car	\$10,000
House	\$195,000
Savings	\$5,000
401(k)	\$10,000
Total Assets:	\$220,000
Debts	
Car Loan	\$5,000
Mortgage	\$160,000
Student Loan	\$10,000
Credit Card	\$5,000
Total Debts:	\$180,000
Assets Under Mgmt:	\$40,000

OUR STARTING POINT

When Linda and I first calculated our AUM, it was $-\$13,843.84$. I knew we had a bunch of debt, but I didn't realize we would be in the negative.

Initially I was discouraged. It felt like I was at the bottom of a hole, looking up, unsure where to go. But I noticed that as we began doing *slightly* less dumb things with our money, each month our AUM was increasing. After one year, it was up nearly \$15,000 to \$746! We were pretty thrilled just to no longer have a negative AUM—even if it was

* Grab your free copy here: seedtime.com/aum.

less than \$800. And as we kept working on it, it just continued to grow.

SIMPLE INSIGHT

It's actually pretty common to start out with a negative AUM. Some people find they are in the red by six figures (often because of student loans or medical debt). Remember, it's not about where you are right now. It's about acknowledging the truth of your situation. No matter your initial AUM, call it what it is: a starting point for your financial testimony.

I normally check our AUM one or two times a year. But if you're working hard at it and need the encouragement, check it more! Regardless of what your number is, just look at it as the beginning. If you're increasing your assets by making good buying decisions or minimizing debts, your AUM will likely be growing.

GOD AND YOUR AUM

AUM is simply a tool to measure the progress of God's assets under our management. And good managers pay attention to what they are responsible for, right?

We aren't tracking it to impress others, to feel good about ourselves, or to determine our worth.

LINDA: Remember, Jesus showed all of us our worth by coming to earth, living a sinless life, and dying on the cross. No dollar amount can compare to the price He paid, because there is simply no number great enough to show what you are worth.

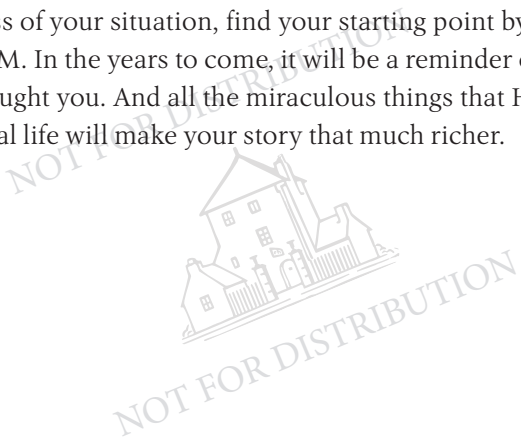
When we truly grasp that, we can see AUM as a tool to

measure progress and show His faithfulness and never as a number that describes significance.

Here's the thing: I believe God wants us to know exactly where we are financially so we can see and tell of His glory when He does the miraculous in our finances.

Moses was on the edge of the Red Sea *before* God parted it. I'm guessing He wanted the Israelites to get an up-close-and-personal view of the insurmountable obstacle in their path so they could better understand the magnitude of God's miracle in their lives. They would tell the story of His faithfulness for generations to come.

Regardless of your situation, find your starting point by calculating your AUM. In the years to come, it will be a reminder of how far God has brought you. And all the miraculous things that He does in your financial life will make your story that much richer.



ABOUT THE AUTHOR

Bob Lotich, CEPF®, is a high-performance financial coach and has been named a top-twenty influencer in personal finance. His award-winning website, seedtime.com, and *SeedTime Money* podcast have reached over 50 million people in the past decade.

He loves sharing the results of his money experiments, from budgeting hacks and investing strategies to radical giving and yearlong sabbaticals, along with other timeless financial instruction from the Bible. He and his wife, Linda, live in Franklin, Tennessee, with their three children.



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1. Get our free *Simple Money* email newsletter.

Join over 100,000 others who get a regular dose of my best tips, inspiration, encouragement, and devotions to help you continue your journey to true financial freedom. Get it at seedtime.com/newsletter.

2. Get our free *SeedTime Money* podcast.

Join Linda and I as we share real-life case studies, encouragement, and our best secrets and tips to unlock your earning, saving, and giving potential. Start listening now at seedtime.com/smp.

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Use our in-depth training courses to get extraordinary results even faster.



The Real Money Method

This reimagined approach to budgeting takes the One-Category Budget (from chapter 7) to the next level. It is so quick you can do it during a commercial break and so easy your spouse will be on board, and it works even if you've always struggled to stick with a budget. It is by far our most popular course, for good reason—it just works.



10x Investing

This course details my passive wealth-building strategy that requires only about an hour per year to maintain. This is a beginner to intermediate level course designed to help you invest your first \$100 or as much as you want! You'll learn to invest wisely, reduce risk, and begin making your money work for you.

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