

VICKI ROBIN
AND JOE DOMINGUEZ

YOUR
MONEY
OR YOUR LIFE

**9 Steps to Transforming Your
Relationship with Money
and Achieving Financial
Independence**

Revised and Updated by
Vicki Robin with Monique Tilford



PENGUIN BOOKS

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Praise for *Your Money or Your Life*

“*Your Money or Your Life* offers everyone—regardless of class, background, or history—a simple and accessible pathway to economic health, recovery, and resilience. Robin offers up this antidote for our corporate culture in a style that is easy to read, pleasurable, and life-affirming, helping us translate the idea of frugality into a shift to invest in what we truly value. Her prescription offers the payoff of a more meaningful and fulfilling life, while lessening our sense of stress as it relates to money. The time could not be more perfect, nor this book more relevant to the changes we’re all facing.”

—Nina Simons, president and cofounder, Bioneers

“*Your Money or Your Life* was a 1990s phenomenon that changed the lives of millions and made voluntary simplicity the fastest-growing movement in America. My friendship with Vicki and her ideas of financial independence and conscious consumption changed my life, liberated me from the money chase, and unleashed my courage and creativity. As the fragility of our casino economy becomes alarmingly evident, this book is now more relevant than ever. It could be the single most important book you will ever read.”

—David Korten, author of *When Corporations Rule the World* and *The Great Turning: From Empire to Earth Community*, and cofounder and board chair, *YES!* magazine

“*Your Money or Your Life* has helped millions of Americans lead more frugal, sane, and happier lives. If only all Americans—and particularly, the people whose profligacy has gotten us into the current debacle on Wall Street—had read it. They certainly need to read it now! Everyone does.”

—John de Graaf, coauthor of *Affluenza: The All-Consuming Epidemic*

“For well over a decade, this book has been the blueprint for achieving financial independence. You can always recognize those of us who followed its advice: We’re the folks with smiles on our faces and time on our hands, who sleep soundly at night even during troubled economic times. This edition was updated to reflect the financial realities of today, and its message and advice have never

been more valuable.”

—Jeff Yeager, author of *The Ultimate Cheapskate’s Road Map to True Riches*

“*Your Money or Your Life* is the rare book that is both map and compass. As we enter hard economic times, this visionary book provides eminently pragmatic and effective maps to reduce the costs of your life and increase your savings net. Of equal importance, it’s a compass that can guide you to your true values—nonmonetary values such as community, friendships, and deeper relationships to your place and nature.”

—Kenny Ausubel, CEO and cofounder, Bioneers

“This timely and timeless message liberates us from our self-imposed impoverishment and leads us to a genuinely richer and more rewarding life.”

—Victoria Castle, author of *The Trance of Scarcity*

“Bless Penguin and Vicki Robin for re-releasing this timeless, exquisite, and classic work on our relationship with money. With clarity, incisiveness, and brilliance, *Your Money or Your Life* gives every reader, no matter what their circumstances, the keys to living a fulfilling and financially free life. The distinctions in this book are so empowering, so liberating, and so transformative that the book should be a required text for everyone who has a bank account. This is one of the best and most truthful books you will ever read about money.”

—Lynne Twist, author of *The Soul of Money*

“The need has never been greater than now, in a time of so much financial turbulence and crisis, for this magnificent book. *Your Money or Your Life* is a personal path to fiscal sanity, stability, and security. If you follow its heed, your life will be richer many times over, whatever the stock market does or does not do.”

—John Robbins, author of *Diet for a New America*, *Healthy at 100*, and *The Food Revolution*

“The best guide for personally navigating the new post–Wall Street financial world. Tried and true common sense for redefining success on your own terms and refocusing your American Dream.”

—Hazel Henderson, author of *Ethical Markets: Growing the Green Economy*

“Can you save your life? Yes, and Joe and Vicki’s approach offers even more. [Those] who use their money carefully generate incredible benefits beyond the obvious gains in and security for themselves. First, their use of natural resources drops, since they consume far more thoughtfully: bonus point for the world’s ecosystems. Second, they may be able to work less: bonus point for other people’s employment opportunities. Third, they spend their money on necessary, worthwhile products: bonus point for the economy of goods, rather than that of bads. Fourth, they are freeing their time and are now able to spend time volunteering with non profits, playing with their own and others’ children, running for office, or just helping out where people are in need: bonus point for our communities. Fifth, they now have time to bring their dreams alive: bonus point for creativity, vibrancy, and joy. What are you waiting for?”

—Mathis Wackernagel, executive director, Global Footprint Network

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YOUR MONEY OR YOUR LIFE

Vicki Robin has lectured widely and appeared on hundreds of radio and television shows, including *The Oprah Winfrey Show*, *Good Morning America*, and National Public Radio's *Weekend Edition*. Newspapers around the world have reported on her work lowering consumption in North America, including *People* magazine, *The Wall Street Journal*, *News week*, and *The New York Times*. Vicki has helped launch many sustainability initiatives, including The New Road Map Foundation (with Joe Dominguez), Sustainable Seattle, the Center for a New American Dream, Conversation Cafés, and Transition Whidbey. Born in Oklahoma in 1945, Vicki grew up on Long Island and graduated cum laude from Brown University in 1967. She now lives on Whidbey Island, Washington.

Joe Dominguez (1938–1997) was a successful financial analyst on Wall Street before retiring at the age of thirty-one by following the nine-step program he formulated for himself, taught for many years, and is presented here in *Your Money or Your Life*. His teaching also lives on through his audio course, *Transforming Your Relationship with Money and Achieving Financial Independence* (Sounds True). From 1969 on, he was a full-time volunteer and donated all proceeds from his teaching to transformational projects.

Monique Tilford has worked for nearly twenty years on sustainable consumption and related environmental issues. For ten years, she worked with the Center for a New American Dream, a national nonprofit that helps Americans change the way they consume, serving most recently as the organization's deputy director. Prior to joining New Dream, Monique was executive director for Wild Earth and for the Carrying Capacity Network. Monique has been promoting the principles outlined in *Your Money or Your Life* for over seventeen years, as a public speaker, study guide group leader, and member of the New Road Map Foundation's board of directors. She lives outside Washington, DC, with her husband and two young daughters.

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To Joe Dominguez (1938–1997), of course!

Treasured mentor and companion on the great adventure And to all he loved

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I feel a bit like an Oscar winner wanting to thank *everyone* in my life because nothing is accomplished alone. So I'll do just that—thank you everyone and if you think that's you, it is.

Thank you is too small an expression of gratitude for Monica Wood because she worked with Joe Dominguez from 1960 on and has been instrumental in every iteration of presenting this program to the public.

Thank you to the original New Road Map team who made the first edition of this book a success: Marilyn Bradley, Paula Hendrick, Lynn Kidder, Diane Marie, Evy McDonald, Marcia Meyer, Alan Seid, Rhoda Walter plus numerous volunteers.

Thank you to the team that took up spreading the 9-step program after Joe Dominguez died in 1997. Special thanks to Penny Unibus, Peter Mui and David Ergo who started Financial Integrity Associates with major participation from Kevin Cornwell, Dave Wampler, Mike and Linda Lenich, Monique Tilford, Marilyn Welker, Joseph Becken-bach, Michael Stradley, Jeff Murray and the many members of the *Your Money or Your Life* Speakers' Bureau.

Thank you to Jacqueline Blix and David Heitmiller who picked up where Joe and I left off, collecting stories of dozens of FIers and weaving them into a wonderful book, *Getting a Life*. Rob van Eeden and Hanneke van Veen adapted *Your Money or Your Life* to a European context, publishing their own version in Dutch, which was then translated into German.

Thank you additionally to those who were instrumental in transitioning the New Road Map Foundation, which I cofounded with Joe Dominguez, Monica Wood and Evy McDonald, to a new mission and structure: Dave Wampler, Alan Seid, Fran Korten and Rozie Hughes.

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See. It's impossible. By naming these I've left you out, but know I've relied on you to bring me here and thank you, too.

WHY READ THIS BOOK?

Ask yourself these questions:

- ◆ Do you have enough money?
- ◆ Are you spending enough time with family and friends?
- ◆ Do you come home from your job full of life?
- ◆ Do you have time to participate in things you believe are worthwhile?
- ◆ If you were laid off from your job, would you see it as an opportunity?
- ◆ Are you satisfied with the contribution you have made to the world?
- ◆ Are you at peace with your money?
- ◆ Does your job reflect your values?
- ◆ Do you have enough savings to see you through six months of normal living expenses?
- ◆ Is your life whole? Do all the pieces—your job, your expenditures, your relationships, your values—fit together?

If you answered no to even one of these questions, this book is for you.

INTRODUCTION

Welcome to *Your Money or Your Life: 9 Steps to Transforming Your Relationship with Money and Achieving Financial Independence*, now updated and revised for the twenty-first century. New readers will benefit from this practical and transformational approach to earning and spending money. Returning readers should find everything they loved about the old version—plus new helpful ideas and information. Since 1980 the program in this book has helped hundreds of thousands of people around the world get a grip on their personal financial lives. It can do that for you, too.

Today, big national and global changes are making it very hard to get control of money in your personal and family life—and to plan for a secure future. You don't need me to tell you that—you experience it daily. That's one reason we decided to update this classic book. Now more than ever, we need a new way of thinking about earning, spending, saving and the good life. When this book came out in 1992, we were at the beginning of the dot-com bubble and shortly thereafter, the real estate bubble. Bubbly was flowing. We bought into buying more based on our newfound apparent wealth from this boom. But times have changed and many things are going bust—and many people along with it.

Before I touch on current challenges—and how *Your Money or Your Life* can help—I want to acknowledge that most generations have thought that the world is going to hell-in-a-hand-basket for one reason or another. Our current hand-basket, though, portends a fundamental, not just cyclical, shift in how we live. So many crises are synergizing into a perfect storm: savings are shriveling, debt is increasing, pensions are drying up, incomes are stagnating, jobs are going global, and social and health safety nets are unraveling. All this amidst a rapidly changing climate, crucial wells—like oil *and* water—beginning to run dry, populations starting to outstrip food supplies, and the global economy itself showing multiple signs of instability. If you're nervous, you have every right to be.

According to the *Christian Science Monitor*, “Growing numbers of economists believe that America is now in a transformational economy, where consumer spending may play a lesser role, as households belatedly recognize the need to ‘right size’ their lifestyles.” [1](#)

Global shifts like these and more are trickling down to our everyday lives. We

might not understand monetary policy, but we do understand our paychecks not increasing as fast as our expenses. We might not understand the science of global warming or the calculations of “energy return on energy investment” (an oil extraction and production discussion), but we do understand hotter, wetter summers and rising prices at the gas pump.

For all these reasons and more, the timeless common sense in *Your Money or Your Life* is actually timelier than ever. And it’s not too late. While the early adopters who did this program in the 1980s and 1990s are now more insulated than most from global instabilities, it’s never too late to shift to a more frugal way of life. Frugality, one friend said, is the new black—it’s more in vogue than ever because it’s so necessary.

So let’s go through some of challenges we’re facing—and see how transforming our personal relationship with money can shore up our personal levees and help us weather this gathering storm.

Savings

In 2005, the personal savings rate in the United States fell below zero for the first time since the Great Depression. Since that time, it has mostly hovered between zero and one percent.² In the richest country in the world, we can barely save a dime. While we each bear responsibility for keeping our wallets zipped, temptation to overspend is everywhere. When Joe Dominguez and I wrote *Your Money or Your Life*, there were only TV, radio, billboards, direct mail and print ads to drive us to destruction . . . of our best intentions to save. Today, the Internet swamps us with advertising with every click—pop-up ads, flash ads and banner ads greet us on each page. Even billboards have gone digital with flashing lights and eye-catching movement. Plus, ads are now on the seats of shopping carts, on floors of supermarkets and pouring into our e-mail in-boxes. In 2006, spending on advertising was estimated at \$155 billion in the United States³ and \$385 billion worldwide⁴, and the latter to exceed \$500 billion by 2010.

Saving money in the era of credit cards has come to seem quaint at best, a sucker’s game at worst. We are taught that debt = freedom but that’s the kind of double-speak in George Orwell’s dystopic novel *1984*, where they claimed that “hate is love” and “war is peace.”

Okay, let’s fix this mental glitch. Repeat after me. To have savings is to be free. Savings means freedom from debt. Money in the bank means the freedom

to leave your job if the boss is intolerable or the benefits have just been yanked. And if you lose your job, having savings is the freedom to keep your house and car because you can cover your payments—if you have any to make in the first place. Having savings means you can start a business or buy land, even if the bank won't lend to you because, ironically, your habit of savings means you don't have a debt trail or a credit record.

People who follow the program in *Your Money or Your Life*, on average, lower their expenses by 25 percent within six months and almost to the person they say their quality of life has gone up. When folks really catch fire with the program, they often save 50 percent or more of every paycheck, shedding debt the way people with intractable weight problems—once they are committed—shed pounds.

Debt

Speaking of debt, well, where do we start? A savings rate hanging near 0 is a nice way of staying in hock, in the suds, on the rocks—that is, in debt. Did you know that credit-card debt of the average U.S. consumer⁵ is over \$3,000 and of the average household over \$8,000? That's not even counting the over \$5,000 of mortgage and auto debt the average American carries. Encouraged at every turn to consume, we have spent every penny and taken advantage of debt limits on multiple cards and, during the market and housing bubbles, used home equity loans and sub-prime mortgages to keep creditors at bay. We've wrung out every resource for its debt potential—and we've pretty much reached the end of that game. More Americans now declare bankruptcy than graduate from college.⁶ But it gets worse. According to the U.S. National Debt Clock⁷ the public debt as of August 27, 2008, was \$9,624,855,389,454, increasing at over \$1.85 billion a day for the last year. This translates to over \$31,500 for every U.S. citizen. Whose debt is that? Ours. (And how are we going to cover that?)

Geoff Colvin commented in *Fortune* magazine recently, “We made it through the bursting of the Internet bubble and now the bursting of the real estate bubble. Next we may be approaching the end of the most worrisome bubble of all: the standard-of-living bubble.”⁸

While the double-speak consumer culture told us to leverage debt and accumulate property so we can sell it later for more, those of us who took to heart the clear-eyed perspective of *Your Money or Your Life* did not buy in, no matter how many hip, cool guys told us we were nuts not to get on the gravy



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Shu tugmani
bosish orqali
sotib oling!**