

Audiobook Companion for

SPIRALING UP



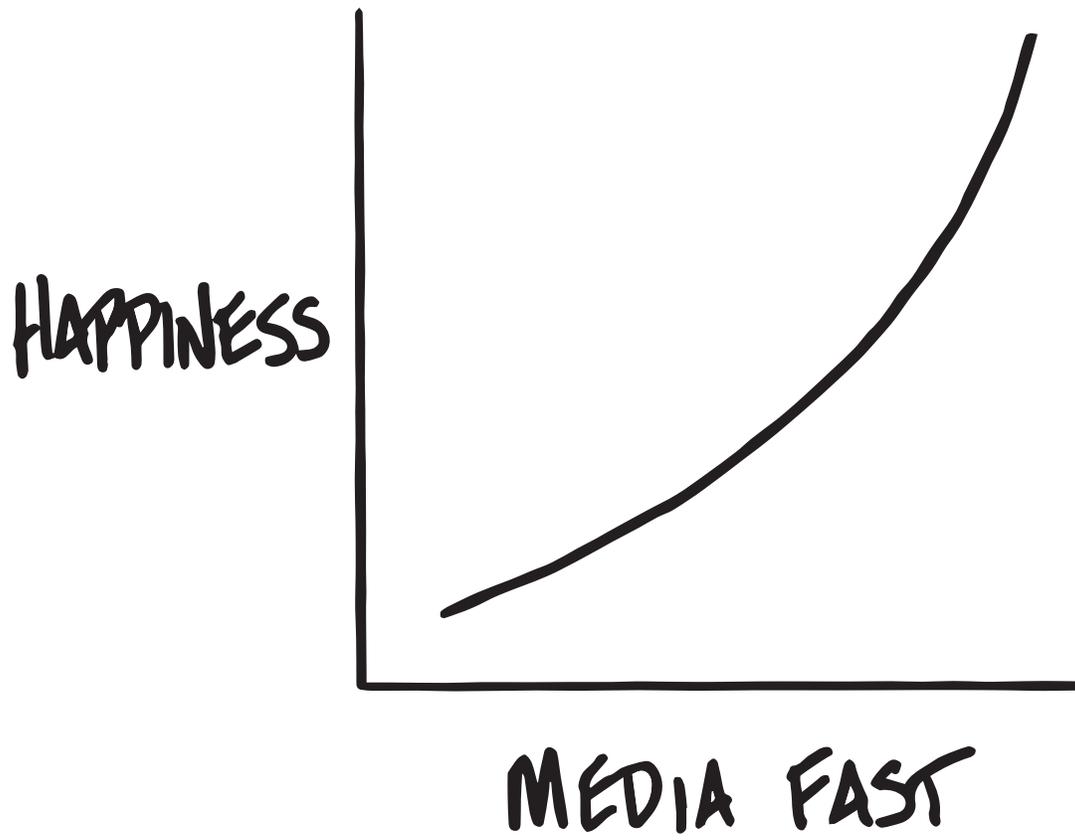
Discover Financial Serenity,
Make Work Optional, and
Live Happily in Retirement

STEVEN MEDLAND

INTRODUCTION

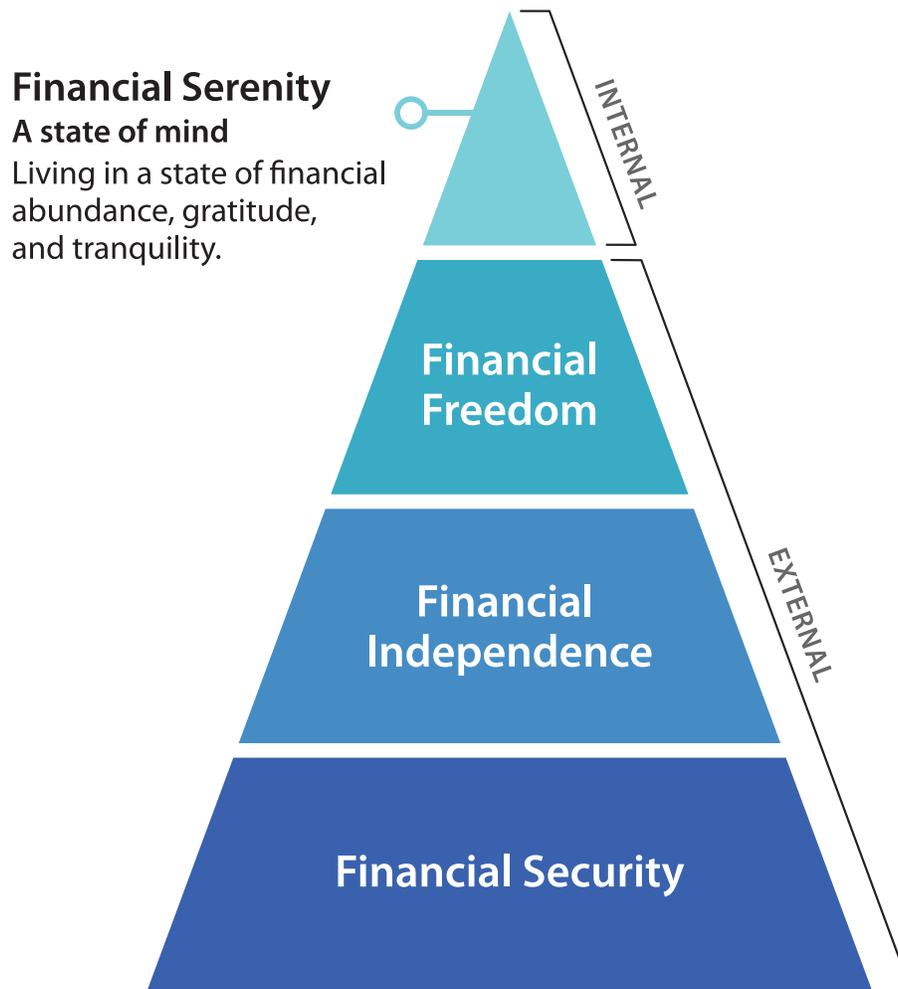
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- ✓ Principle One: Focus On What You Can Control
 - ✓ Principle Two: Accept That Wealth Is a State of Mind
 - ✓ Principle Three: Cultivate a Growth Mindset
 - ✓ Principle Four: Understand Your Personal Financial Statement
 - ✓ Principle Five: Use Debt Wisely, and Pay It Off
 - ✓ Principle Six: Develop Good Financial Habits
 - ✓ Principle Seven: Manage Risk
-

CHAPTER 2



Source: Behavior Gap, used with permission.

CHAPTER 3



Financial Freedom

Passive income covers all expenses for your *ideal* lifestyle

Freedom to buy what you want, live where you desire, and gift money to whomever you choose or any causes you support.

Financial Independence

Passive income is meeting financial obligations

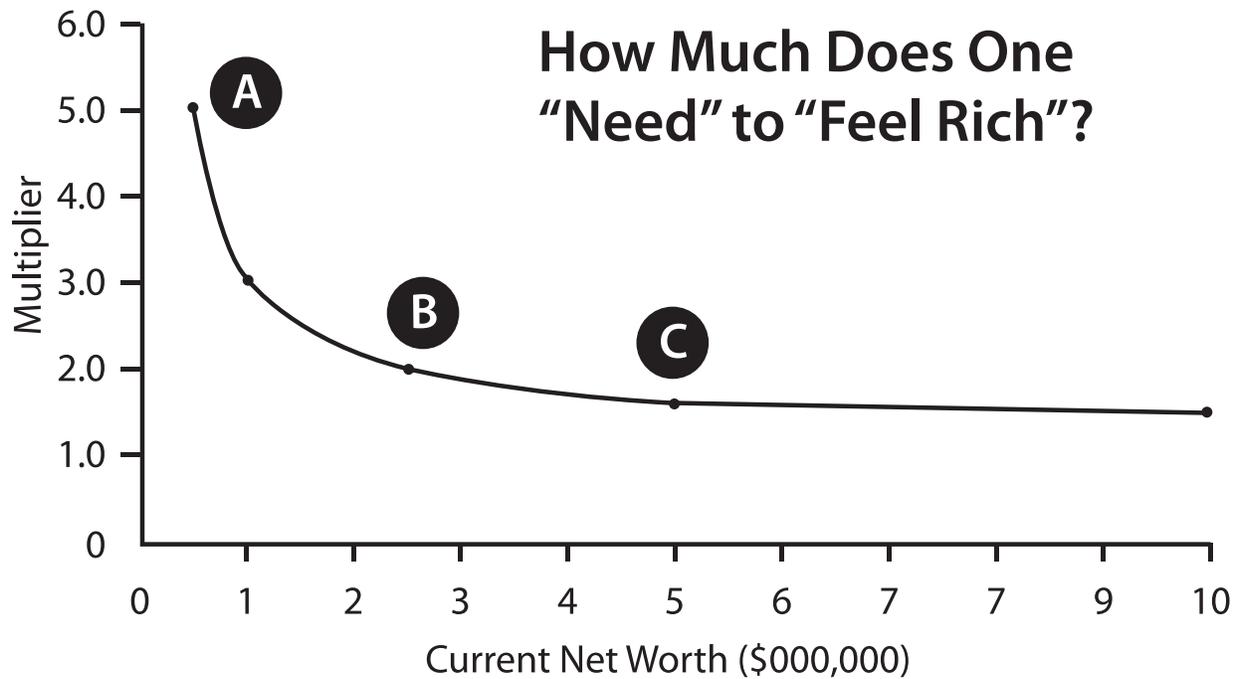
Enables you to stop working if desired or to pursue more meaningful work.

Financial Security

Living below your means

Meeting current needs and saving for your future, with a solid cash cushion for the unexpected and a plan to achieve financial goals.

CHAPTER 5



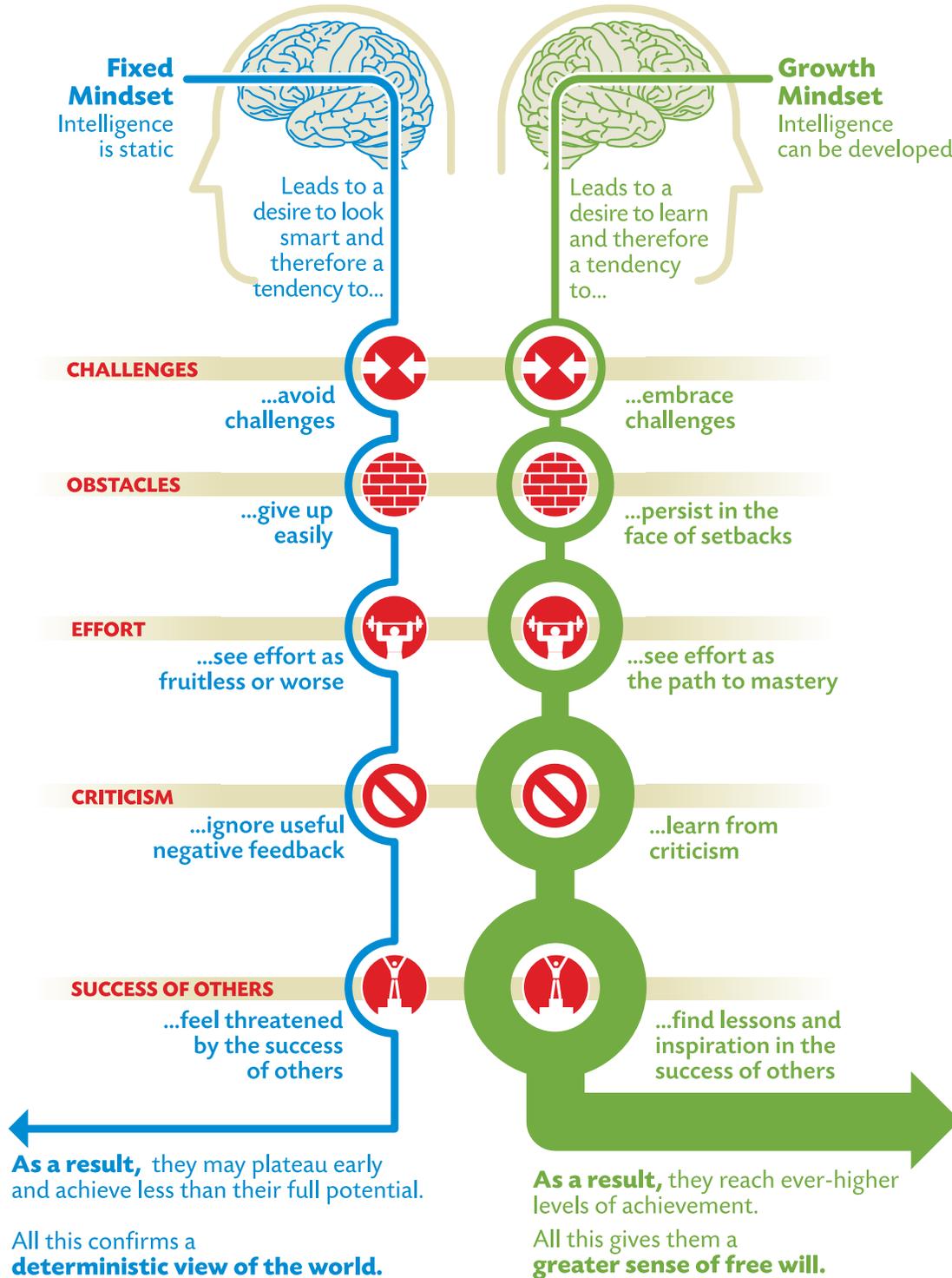
- A** If current net worth is \$500,000, to “feel rich,” one “needs” 5 times as much or \$2,500,000.
-
- B** If current net worth is \$2,500,000, to “feel rich,” one “needs” 2 times as much or \$5,000,000.
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- C** If current net worth is \$5,000,000, to “feel rich,” one “needs” 1.6 times as much or \$8,000,000.
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Source: *Richer than a Millionaire: A Pathway to True Prosperity* (2017)
by William D. Danko and Richard J. Van Ness, page 24, used with permission.

CHAPTER 6

TWO MINDSETS

CAROL S. DWECK, Ph.D.



Source: Nigel Holmes, used with permission.

CHAPTER 7

Balance Sheet	
<p>Assets—things you own that ideally produce income and increase in value (stocks, bonds, real estate).</p> <p>Assets also include things you own that lose value or depreciate, such as cars, boats, jacuzzis, televisions, clothing, and household appliances.</p>	<p>Liabilities—money you owe that results from borrowing money today to buy something you can't otherwise afford. The borrowed money has to be repaid with interest at a later date. A home mortgage and student loans are typical examples, but so are automobile and credit card loans.</p>
	<p>Net Worth = Assets - Liabilities</p>

CHAPTER 7

Balance Sheet – Example December 31, 20__			
Assets		Liabilities	
Home	\$900,000	Home Mortgage	<u>\$300,000</u>
Investment Portfolio	<u>\$500,000</u>	Total Liabilities	\$300,000
Total Assets	\$1,400,000	Net Worth =	\$1,100,000
		(Assets – Liabilities)	

CHAPTER 7

Income Statement

Income—money you receive, generally on a regular basis, from work you perform or investments you own.

Expenses—money spent on things like food, housing costs, insurance, entertainment, travel, education, etc.

Net Income = Income – Expenses

CHAPTER 7

Balance Sheet – Smith Family December 31, 20__			
Assets		Liabilities	
Home	\$800,000	Home Mortgage	\$410,000
Rental Condo	\$500,000	Condo Mortgage	\$200,000
Investment Portfolio	\$700,000	Car Loans	\$0
Cars (2)	\$60,000	Credit Cards	<u>\$0</u>
Emergency Fund	<u>\$50,000</u>	Total Liabilities	\$610,000
Total Assets	\$2,110,000	Net Worth =	\$1,500,000
		(Assets – Liabilities)	

Income Statement – Smith Family For Year Ending December 31, 20__	
Income	
Salary	\$200,000
Rental Property	\$24,000
Investment Portfolio Income	<u>\$28,000</u>
Total Income	\$252,000
Expenses	
Home Mortgage	\$35,000
Condo Mortgage	\$15,000
Condo Expenses	\$5,000
Living Expenses	<u>\$165,000</u>
Total Expenses	\$220,000
Net Income =	\$32,000
(Income – Expenses)	

CHAPTER 7

Balance Sheet – Jones Family December 31, 20__			
Assets	Liabilities		
Home	\$1,200,000	Home Mortgage	\$350,000
Investment Portfolio	\$600,000	Car Loans	\$80,000
Cars (2)	\$140,000	Credit Cards	<u>\$20,000</u>
Emergency Fund	<u>\$10,000</u>	Total Liabilities	\$450,000
Total Assets	\$1,950,000	Net Worth =	\$1,500,000
		(Assets – Liabilities)	

Income Statement – Jones Family For Year Ending December 31, 20__	
Income	
Salary	\$200,000
Investment Portfolio Income	<u>\$24,000</u>
Total Income	\$224,000
Expenses	
Home Mortgage	\$30,000
Car Payments	\$20,000
Credit Card Payments	\$4,000
Living Expenses	<u>\$186,000</u>
Total Expenses	\$240,000
Net Income =	-\$16,000
(Income – Expenses)	

CHAPTER 8

Debt Avalanche Strategy

Loan	Balance	Interest Rate	Payment
Visa Credit Card	\$6,500	24%	\$195
Target Credit Card	\$1,700	22%	\$51
Car Loan	\$25,000	7%	\$495
Mortgage	\$300,000	5%	\$1,610

In this example, we assume credit card minimum payments are 3% of the monthly balance. The car loan payment uses a five-year amortization schedule, and the mortgage payment uses a 30-year amortization schedule.

CHAPTER 8

Debt Snowball Strategy

Loan	Balance	Interest Rate	Payment
Target Credit Card	\$1,700	22%	\$51
Visa Credit Card	\$6,500	24%	\$195
Car Loan	\$25,000	7%	\$495
Mortgage	\$300,000	5%	\$1,610

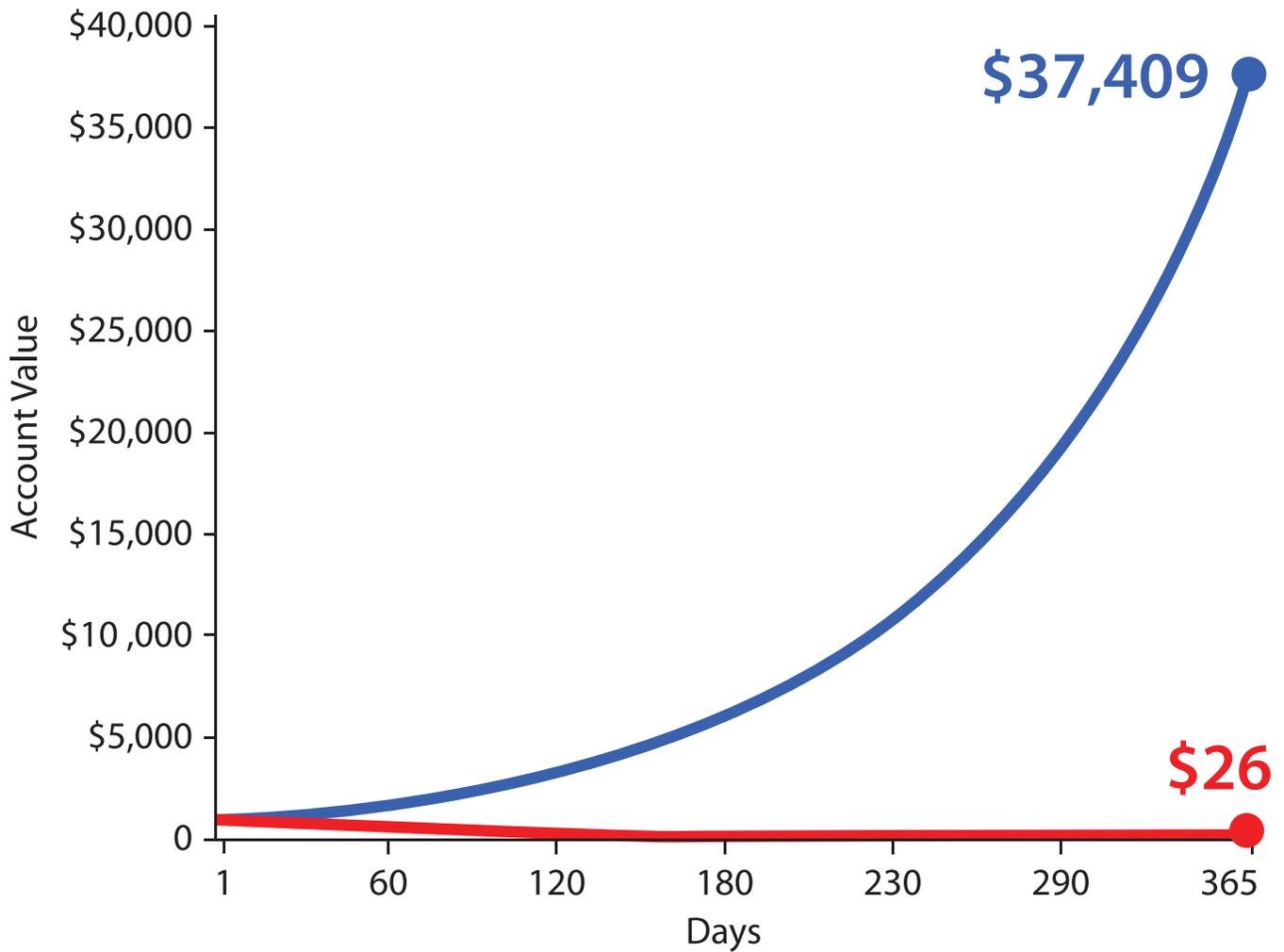
In this example, we assume credit card minimum payments are 3% of the monthly balance. The car loan payment uses a five-year amortization schedule, and the mortgage payment uses a 30-year amortization schedule.

CHAPTER 8

	Age 62 Monthly Benefit	Age 66 Monthly Benefit (FRA)	Age 70 Monthly Benefit
Sid	\$2,265	\$3,011	\$3,790
Janice	\$1,810	\$2,390	\$3,026

CHAPTER 9

The Value of \$1,000 Gaining or Losing 1% per Day



- Value of \$1,000 compounding at 1% per day
- Value of \$1,000 losing 1% per day

CHAPTER 10

Risk Management Pyramid



Investment Risk

Balance the risk of loss and inflation

Use proven risk management strategies to aim for the sweet spot of risk vs. return. If you must speculate, don't risk more than you can afford to lose.

Savings Risk

Build and protect your savings

Emergency fund: 3 to 6 months of expenses in FDIC-insured account. Save for large purchases planned within 2 years (vacation, car, home, etc.).

Catastrophic Risk

Protect yourself and loved ones from devastating events

Estate planning (wills, trusts, healthcare directives, etc.) and insurance (life, disability, property, and casualty).

CHAPTER 11

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 - ✓ Principle Seven: Manage Risk
-

CHAPTER 11



Avis Blue Medland, circa 1930s

CHAPTER 11



Avis Blue Medland and Steven Wade Medland on July 4, 1972

APPENDIX A

Step 1: In the list of values below, circle the ones that resonate most with you.

Abundance	Generosity	Recognition
Accountability	Gratitude	Reliability
Achievement	Growth	Reputation
Authenticity	Happiness	Resilience
Autonomy	Harmony	Resourcefulness
Balance	Health	Respect
Boldness	Humor	Security
Collaboration	Independence	Self-Confidence
Commitment	Individuality	Self-Control
Community	Innovation	Self-Reliance
Compassion	Joy	Self-Respect
Consistency	Kindness	Serenity
Contentment	Knowledge	Service
Creativity	Learning	Simplicity
Curiosity	Love	Spirituality
Decisiveness	Loyalty	Stability
Dependability	Mindfulness	Strength
Determination	Motivation	Teamwork
Empathy	Optimism	Tranquility
Enthusiasm	Open-Mindedness	Trustworthiness
Equanimity	Organization	Understanding
Excellence	Passion	Uniqueness
Family	Peace	Versatility
Flexibility	Personal Growth	Warmth
Freedom	Playfulness	Wealth
Friendship	Presence	Wisdom
Fun	Quality	Zeal

APPENDIX A

Step 2: Using the values you circled, write down your top three values for each of the areas below.

Career	Community & Giving
1.	1.
2.	2.
3.	3.
Family & Relationships	Finance
1.	1.
2.	2.
3.	3.
Health	Recreation
1.	1.
2.	2.
3.	3.

APPENDIX A

Step 3: Based on the recurrence of values in your answers above, write your top three personal values.

My Top Three Personal Values
1.
2.
3.

Source: This Values Worksheet was created by adapting several sources, including the Carnegie Mellon University Values Exercise, Taproot.com, *Power vs. Force: An Anatomy of Consciousness, The Hidden Determinants of Human Behavior* by David R. Hawkins, MD, PhD, and *The Minimalist Way* by Erica Layne.

APPENDIX B

Recommended Reading

The following list of 50 books is in the approximate order that the book, or the author, appears in *Spiraling Up*. Although some of the books shown below do not appear in the text, they are all relevant to our topic.

1. *Principles: Life and Work* by Ray Dalio, 2017, Simon & Schuster
2. *Thinking: Fast and Slow* by Daniel Kahneman, 2011, Farrar, Straus, and Giroux
3. *The Behavior Gap: Simple Ways to Stop Doing Dumb Things with Money* by Carl Richards, 2012, Portfolio
4. *You Learn by Living: Eleven Keys for a More Fulfilling Life* by Eleanor Roosevelt, 2011, Harper Perennial Modern Classics
5. *Meditations* by Marcus Aurelius, 2018, The Stanford Encyclopedia of Philosophy, Editor, Edward N. Zalta, Metaphysics Research Lab, Stanford University
6. *The Enchiridion* by Epictetus, 1983, Hackett Publishing
7. *The Magic of Believing* by Claude M. Bristol, 1991, Pocket Books
8. *Thrive: The Third Metric to Redefining Success and Creating a Life of Well-Being, Wisdom, and Wonder* by Arianna Huffington, 2015, Harmony
9. *The 15 Invaluable Laws of Growth: Live Them and Reach Your Potential* by John C. Maxwell, 2012, Center Street
10. *As a Man Thinketh* by James Allen, 2006, CreateSpace Independent Publishing Platform
11. *Spiritual Economics: The Principles and Process of True Prosperity* by Eric Butterworth, 2001, Unity Village
12. *Flourish* by Martin E. P. Seligman, 2012, Atria Books
13. *Wherever You Go, There You Are* by Jon Kabat-Zinn, 2005, Hachette Books

APPENDIX B

Recommended Reading (*continued*)

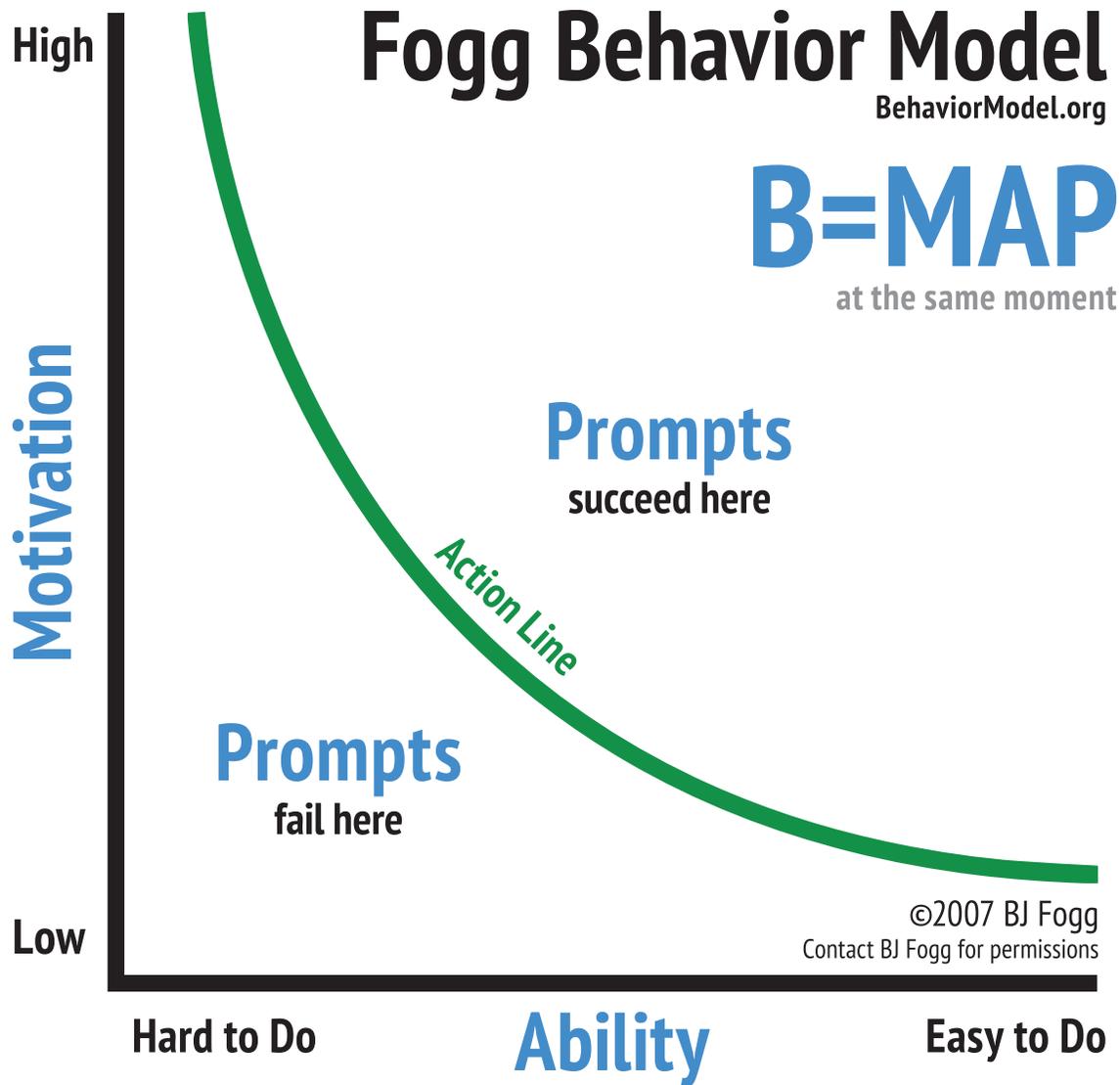
14. *The Millionaire Next Door* by Thomas J. Stanley and William D. Danko, 2010, Taylor Trade Publishing
15. *Richer than a Millionaire: A Pathway to True Prosperity* by William D. Danko and Richard J. Van Ness, 2017, Million Dollar Press
16. *The Seven Stages of Money Maturity* by George Kinder, 2000, Dell
17. *Happy Money: The Japanese Art of Making Peace with Your Money* by Ken Honda, 2019, Gallery Books
18. *You Can Heal Your Life* by Louise Hay, 1984, Hay House
19. *Wooden: A Lifetime of Observations and Reflections On and Off the Court* by John Wooden, 1997, Contemporary Books
20. *Mindset* by Carol Dweck, 2006, Random House
21. *My Philosophy for Successful Living* by Jim Rohn, 2012, No Dream Too Big
22. *Man's Search for Meaning* by Viktor Frankl, 2006, Beacon Press
23. *Think and Grow Rich* by Napoleon Hill, 2005, TarcherPerigee
24. *Benjamin Franklin: An American Life* by Walter Isaacson, 2004, Simon & Schuster
25. *The Richest Man in Babylon* by George S. Clason, 2014, CreateSpace Independent Publishing
26. *Everything Is Figureoutable* by Marie Forleo, 2019, Portfolio
27. *Rich Dad, Poor Dad* by Robert Kiyosaki, 2017, Plata Publishing
28. *Born to Win* by Zig Ziglar, 2014, Word Wise
29. *The Elements of Investing: Easy Lessons for Every Investor* by Burton G. Malkiel and Charles D. Ellis, 2013, Wiley
30. *The Heart of the Buddha's Teaching* by Thich Nhat Hanh, 1999, Harmony
31. *Atomic Habits: Tiny Changes, Remarkable Results* by James Clear, 2018, Penguin
32. *The Life-Changing Magic of Tidying Up* by Marie Kondo, 2014, Ten Speed Press

APPENDIX B

Recommended Reading (*continued*)

33. *Tiny Habits: The Small Changes That Change Everything* by BJ Fogg, 2020, Mariner Books
34. *The Year of Less: How I Stopped Shopping, Gave Away My Belongings, and Discovered Life Is Worth More than Anything You Can Buy in a Store* by Cait Flanders, 2018, Hay House
35. *Moral Letters to Lucilius* by Seneca, 2011, Michael Hussey
36. *How to Win Friends and Influence People* by Dale Carnegie, 1998, Pocket Books
37. *Thinking in Bets: Making Smarter Decisions When You Don't Have All the Facts* by Annie Duke, 2018, Penguin
38. *Against the Gods: The Remarkable Story of Risk* by Peter L. Bernstein, 1996, John Wiley & Sons
39. *The Price of Civilization* by Jeffrey D. Sachs, 2012, Random House
40. *The Coffeehouse Investor: How to Build Wealth, Ignore Wall Street, and Get on with Your Life* by Bill Schultheis, 2013, Portfolio
41. *The Success Principles* by Jack Canfield, 2006, William Morrow
42. *The War of Art* by Steven Pressfield, 2002, Rugged Land
43. *Loving What Is* by Byron Katie, 2003, Three Rivers Press
44. *The Choice* by Edith Eva Eger, 2017, Scribner
45. *A Guide to the Good Life* by William B. Irvine, 2008, Oxford University Press
46. *The Minimalist Way: Minimalism Strategies to Declutter Your Life and Make Room for Joy* by Erica Layne, 2019, Althea Press
47. *Unshakeable: How to Thrive (Not Just Survive) in the Coming Financial Correction* by Tony Robbins, 2017, Simon & Schuster
48. *The Tools* by Phil Stutz and Barry Michels, 2013, Random House
49. *The Fourth Turning* by Neil Howe and William Strauss, 1997, Crown
50. *Ego Is the Enemy* by Ryan Holiday, 2016, Portfolio

APPENDIX D



Source: BJ Fogg, www.behaviormodel.org. Used with permission.

APPENDIX D

ACCOUNTS		
>	 Cash	\$9,427.86
>	 Credit Cards	-\$906.88
>	 Loans	-\$606,272.23
>	 Investments	\$717,507.55
>	 Property	\$1,602,385.00
	ASSETS	\$2,329,320.41
	DEBTS	-\$607,179.11
	NET WORTH	\$1,722,141.30