

WHAT DOES IT MEAN TO BE WEALTHY?

Lorwai TAN PhD

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PREAMBLE

Hello there

I don't know what made you decide to opt-in and download this free eBook.

However, I do know we all want a better life for ourselves and our loved ones.

Perhaps you want to really experience the freedom that comes with being in control of your finances.

That is what I want for myself, and what motivates me to share my knowledge with others.

The journey of a thousand miles begins with one step

Taking the time to read this eBook is akin to taking that one first step.

I trust you will be inspired to take whatever necessary action (legal, ethical and moral!) to achieve your idea of financial freedom.

Freedom requires a burning desire to achieve your goal.

It requires courage, self-belief, single minded focus and ultimately, action.

I wish you every success in your endeavours.

Yours in health, wealth and happiness

Lorwai

What Does It Mean To Be Wealthy?

Don't confuse being wealthy with being rich. They're two different things.

So in terms of being wealthy, I want to start with this really cute little TV advertisement that used to run on television here in Australia. It was for a brand of rich chocolate biscuit called Tim Tams. Just think of two pieces of chocolate biscuits with a chocolate filling and chocolate coating. Everybody loved Tim Tams, a real hit with the general population; it was good to eat but not necessarily good for your waistline.

So in this ad there's this young man who is walking along the beach and finds this little lamp washed up on the shore. He picks it up, gives it a rub and a genie pops out. And as the usual story goes, he can ask for one wish and when that wish is granted the genie is free to head off into the sunset.

The genie says to this guy, "What is your one wish?" And he replies, "I wanna be rich and I wanna be cool." And so the genie turns him into a packet of Tim Tams that ends up in the fridge.

In the next scene a couple of nice-looking blonde girls coming in from the warm beach into a beach house. They head to the kitchen, open up the fridge and go, "Ooh Tim Tams!", and proceed to eat the whole packet of Tim Tams.

The moral of the story - just be very aware of what you define as your idea of being wealthy or rich.

Definition of wealth

I looked it up in the dictionary and it says, "an abundance of valuable material possessions and resources; the state of being rich and affluent".

Just bear in mind the word "material" because when we're going to talk about this a bit more; there are two aspects.

The first is the material or the tangible, and then there is the intangible that is equally important. That's the part that people don't really consider. *But I'm going to suggest to you, it's the part that matters most.*

The tangible aspects of wealth

So let's talk about the material aspect because like it or not, we live in a world where you need to eat, drink, have clothes on your back and a roof over your head.

And you need to have fun in your life.

So let's start with tangible wealth. When people start thinking of the term wealthy, they have an image of somebody who makes a lot of money.

If that money is made while you have to get in a car, go to work at some physical location, (even if you are the CEO of a multinational company) your income is going to be terrific in terms of the flow of the cash *while* you have a job. But if you were made redundant, you suddenly would be unemployed.

Take home point 1: If you stop working, the money stops coming in (for most people)

The tangibles: There's your income, your savings, your investments.

If you go a Financial Planner for advice, the first thing they're going to do is grab a piece of paper and draw a line down the middle and ask, "What are your assets?", and "What are your liabilities?"

So your assets could be your house, car and whether you've got any bank savings, investments or if you're into collectibles like coins, stamps, model cars or even vintage cars. They will record that and say, "Okay, folks. That's your assets", and they put it down one side of the page.

And then they'll ask you, "How much do you think they're worth?" And it could be your favourite vinyl collection of Deep Purple records or something to that effect. Then

he/she would probably ask you how much it's worth; you could put a dollar value on it or you could just make it up.

Then they'll go to the Liabilities column of the page. And they ask, "So, what do you owe?", "Do you have a mortgage or do you own your house outright?" "Do you own your car outright or do you have car repayments to make. Do you have alimony payments. Do you have student debt or student loans after university or college?"

See the equation below:

$$\text{ASSETS-LIABILITIES= NET WORTH}$$

We've dealt with the dollars and cents and things you can count.

We talked about basically looking at your assets, looking at liabilities and what your net worth is.

For the average accountant or financial planner, this would be their definition of how wealthy you are.

Also if you fell sick or was injured and couldn't go to work, how long would your money last?

You know, the sorts of uncomfortable questions that make people squirm

For somebody who thinks they're doing quite well, you might find that in terms of your net worth, it's not all that healthy after all, see? Definitely food for thought.

Take home point 2: You have to get your head around your own net worth (tangible assets and liabilities)

The billionaire Bill Bartmann who made his fortune collecting debt writes in his newsletters, "I wake up every morning and look at my bank account". So he actually keeps tabs on how much money is coming in and how much money is going out on a daily basis. That kind of makes sense for somebody who is running a billion dollar business.

YOU (THE INDIVIDUAL) TOO ARE A BUSINESS

Think of yourself as a company, a one person company. You could call yourself Me Inc.

Because when you start treating yourself like a company, you become very conscious and aware about how you spend your money and where you spend your money.

Or whether that money is going to bring some positive return on your investment dollar.

Take home point 3: Change the way you think and change how much you earn

And another thing - Being wealthy is basically having the ability to live your lifestyle by design because it means not having to work if you don't want to (by choice) and without relying on somebody else (like an employer or your Mum and Dad).

For most people the employee mindset is very much at the fore; we go to work (for someone else) everyday and we are trained to expect a pay check every week, fortnight or month.

Remember the dogma that we constantly heard as kids?

Go to school, study hard, get a good job, save your money and get some financial security.

So we do as we're told and eventually we get to the stage where we get a really nice job, and maybe a nice office.

But the point is, we're still working for somebody else. In Australia, it's called pay as you go.

If you are working in a corporation or company or in the public service, you will always be answering to someone else who calls the shots, who decides your future. So, think about that.

In order to be wealthy in a material sense, you have got to start looking at ways where you decouple from that employer/employee arrangement.

Most people might say, “Well, I don’t like my boss. I will start my own business. I’m pretty good at being a mechanic and I’ve worked for Mr. Jones’ garage. I’m sure I could do that because he only pays me X number of dollars an hour and I certainly am worth more than that”.

They start up a business of their own and then they find that they work 80 to 100 hour weeks and wonder where the money’s going.

When I put forward the idea of a person running their own business, it also means having a good business plan and strategy in place so that you’re actually working on your business, not in your business.

The aim is to either float the company or sell it off at a nice fat profit.

So in terms of being financially free, you have got to ask yourself, “What’s the definition of financial freedom?”

Answer: It’s a really cold term called your Wealth Number.

Write that down.

Wealth Number means how money you need on an annual basis that will allow you to live a lifestyle of your choice.

Take home point 4: The bigger your dreams, the bigger your wealth number

Here’s the pen and paper exercise to understanding your wealth number:

The secret is being very, very specific with your numbers.

Don’t type it out on your computer. Use a pen and a piece paper.

There’s something very powerful about doing that because it’s really going from your head, your heart, your hand on to the piece of paper.

You then look at the numbers and think, “Geez! I wrote that down. Hmm. Fancy that!”

This exercise is based on an annual spend.

So let's say you want to go on one holiday a year.

You'd like to go and see the Grand Canyon.

Okay, how much does it cost to fly there with your spouse. No, you don't want to sit in the back where they're all packed like sardines. So jump on the internet and go research first class, or business class.

It would be \$30,000 for two first class return airfares. (From Europe or Australia)

Where would you like to stay while in Nevada (7 days in a 5 star hotel)

As an estimate \$10,000

How much are your meals and entertainment costs?

\$8,000

What about philanthropy and charities?

Let's say you are really passionate about supporting organizations like the RSPCA or Animal Welfare League.

How much will it cost to sponsor a little dog or cat in shelters with "No kill" policies?

When money is no object you can adopt as many puppies and kittens as you'd like.

\$7,000

Fun and games, entertainment, self education and financial support for loved ones, or sponsoring entrepreneurs in developing countries right around the world.

\$25,000

Day to day living expenses for 12 months @ \$40,000 per month

\$480,000

The grand total \$ 560,000 per annum

Let me ask you, when you look at that total do you think “It’s not possible (for me)”?

What I’m saying is that if you change the way you think, it’s the first step to changing what you earn. (See Take Home Point 3)

Pretty neat, huh?

Here is the crucial bit - Everyone’s got a different wealth number

It’s your internal barometer or thermostat that says, “I’m comfortable and happy if I’m at this particular level of income”.

Some people who initially think “It’s just a pipe dream. It’ll never happen”, then go on to do the exercise will find that they can actually achieve this.

There is a point to doing this exercise.

Your wealth number may be \$500,000 or \$300,000 or \$250,000 per annum.

It’s not that hard. Get used to the idea of these numbers. Open your mind to any possibility.

Trust me, it gets bigger.

Okay, you are now comfortable with the concept of those amounts of money coming into your bank account.

Can you accept that it is passively generated?

Yep, passive income.

When I ask that question some people basically get a really visceral response that goes, “What do you mean passive income? It means that I’m sitting around on my bum all day and all this money turns up on my bank account?”

Essentially, yes. Get used to it.

Because if you can't get used to it and you object, and there's a voice in your head that screams, "No, no, no! You can't do this. It's not right.", you're going to encounter a lot of obstacles to becoming independently wealthy and being financially free.

That's the truth.

As long as you've got that idea in your head that you really have to go to work and work hard every day, because that's the way it has always been, in order to get this income, then it's going to be a stumbling block for you on an emotional or subconscious level.

So, get over it.

Let's push boundaries and say it's \$1 million dollars per annum.

Are you blinking, are you flinching when I say that?

Or are you one of those people who goes, "Yeah, sure. This is what I need to do. This is the amount of money I need in order to do the things that I want to do".

It is possible. It is within the realms of possibility.

You just have to expand your mind—you have got to expand it to accommodate these sorts of ideas, thoughts and attitudes.

And when you are okay with it, you will wonder what the big deal was.

Take home point 5: The bigger your wealth number and the bigger the dreams that you have, the bigger the person you'll have to be

These are challenges.

If you want to have big dreams and big goals, just be prepared for big challenges to come your way.

The important thing is you have to grow into becoming this person who can take on those challenges, with some modicum of ease and grace.

You don't freak out and don't panic.

The growth or personal development spectrum

On a level to 1 to 10 where 10 equates to being super duper hot and 1 being not even liking yourself, where are you now?

Let's say you're a level 4 person.

And to receive a passive income of a million dollars requires number 9 or 10. See the disparity?

What happens then is most people would say, "This is too hot!" and they lower their expectations down to where they are on a number 4 level.

And then they wonder, "How come I'm always broke?" There you go! Case in point.

You're always broke because you have small expectations.

Isn't it easier to just get yourself up to number 8 or 9 and to number 10 level in terms of how you deal with issues, how you handle stresses, how you communicate with people?

Take home point 6: Being wealthy means taking calculated risks

Risks - everybody blanches at that.

We all like to be secure and we talk about the security of the pay check (the concept that is).

A lot of people have the idea that "While I have an employer, they deal with all the headaches of running an organization. I just have to turn up and every fortnight they put a check in my hand".

Now, it's not very often if you work for somebody else as an employee, that you're going to become financially independent.

I've said that before. I'll say it again. It's worth repeating. Okay?

So what happens is that you trade your dreams for what most people consider safe, secure and predictable.

If you have bright and innovative ideas that means to act on those ideas to monetize them you have to step out of your comfort zone.

And it's unlikely to happen while you are hanging on to the security of a pay check.

Have you noticed that people who are financially independent own businesses or franchises?

They basically know how to leverage their time.

Lets's use the example of a dental practice.

Even if you are the best dentist in the world there are only so many patients you can see per day.

The way to become financially independent via your dental practice is by you being able to leverage it so that instead of seeing ten patients a day you can see fifty.

And then it's a case of "I don't even have to be there and the fifty patients still get treated".

So how are you going to do that?

By setting up a franchise business model. This is something to be explored with your accountant. We need to move on in the show.

However, nobody's going turn up at your practice if you're really bad and crappy at what you do

You get paid on your results.

Take home point 7: Nobody becomes wealthy on their own

You become wealthy and successful simply because you have a good network of people around you who are helpful to you and because you are helpful to them.

Zig Ziglar said, “You help enough people get what they want and you will get what you want”.

So the first bit is “help enough people get what they want”, okay?

And that’s a brilliant, brilliant way of doing things.

Here’s what happens - you actually develop and become that person who can step into that role.

On a daily basis you apply yourself because you’ve got those goals we’ve talked about a fortnight ago on the show on the topic “The Importance of Goal Setting”.

And as a recap it goes like this:

You first work through any issues that you have with being a success and a failure.

These two factors either propel you or trip you up.

It will propel you after you get rid of your hang ups about the fear of failure and the fear of success. That is the primary reason why people don’t set goals..interesting isn’t it?

After you get past that point you do get to a really, really good place.

When you apply yourself on daily basis, when you are faithful to who you are and what you do and know exactly that your head and your heart is in alignment with your big goals, you will develop into this person who’s just fantastic, magnificent, generous, loving, kind, beautiful on the inside and on the outside.

And you look back, eighteen or twenty-four months from now and you think, “Geez! I don’t recognize that person there”.

For all intents and purposes when you look at the mirror it’s still the same you.

Physically, that is.

But emotionally, mentally and spiritually, you’ve moved up so many rungs. It’s amazing.

I speak from personal experience. I know this is possible for you because it has happened to me. And now I'm helping others experience the same transformation.

Anyway, that's one of the aspects that we're going to look into.

So your challenges make you into this bigger person-*nice!*

And there's something else that's very interesting.

Even though we're talking about making money, it's also not what you make, it's what you accept that's important in your life.

And here's one thing that's not normally discussed yet it is a fundamental aspect of becoming wealthy.

Being able to receive.

Now let's discuss the intangible aspect of what it means to be wealthy

My question today is what is the definition of being wealthy?

If you cannot define that pithily in one sentence or less, it means you have no idea.

And that's bad.

And that's bad because you'll forever be lurching around from point A to point B and wondering why you're never ever going to be wealthy.

Take home point 8: Being wealthy means being willing to receive.

We're all very good at giving, right?

If the Girl Scouts knocked on your door with cookies or biscuits that they want to sell, most people would have no trouble getting their spare change out of their pockets and saying, "Here's some money. Good on you".

If somebody says, “I’m collecting for the homeless charity” most of us would have no hesitation of putting our hand into our pocket for that.

But when somebody does something for *you* and it’s not because they are returning a favour and it’s got nothing to do with getting something in return, most people just baulk at that idea.

So being willing to receive is one aspect of being wealthy.

A lot of people aren’t comfortable with this concept.

Ask yourself when this happens to you.

Is there any discomfort, guilt or shame associated with receiving?

Reminder - being wealthy means being willing to receive (just in case you forgot)

Putting your hand out and saying “Thank you” when somebody puts something in it (preferably money).

So, we talked about how we’re all very good at giving because it makes us all warm and fuzzy, right?

But really it’s two sides of a coin.

If there isn’t somebody doing the receiving, there can’t be any giving.

So, really it’s no shame and you shouldn’t feel guilty about receiving either.

If you’re asking the Universe, “Please make me wealthy”, or you have been putting out there the intention that you want to be wealthy but have a hang up about taking, or receiving a gift, guess what?

The Universe says, “Okay. You’re not interested in becoming wealthy, not interested in becoming rich. Because every time somebody tries to give you something, you respond with, “No, thank you. No, no, no! Somebody else deserves it”.

So the Universe decides that you’re not really serious about this whole idea.

And the Universe starts looking for a person willing to receive. That person is probably standing next to you and saying, “Thank you very much. I’m very happy to receive, come on down, bring it on. Let it roll up in a truck!”

So get over the idea that it’s not cool to receive.

Take home point 9: You can be cool and broke or cool and wealthy. Your choice.

Or you can say, “I really am thankful when I receive, I receive with thanks, I receive with gratitude”.

And it’s not me being suspicious about the other person as in why is that person doing me a favour.

Or if an anonymous check comes in the mail and you think, “Surely, it must be a mistake. Can’t be mine.” But it’s got your name on it so it must be yours.

Ruminate on that.

Being wealthy means being willing to receive and if you have a hang up about it and you get uncomfortable, which when we look more deeply means you’re feeling a bit guilty about the whole thing and feel a bit shameful, ask yourself why.

Sit down quietly somewhere, contemplate and ask, “Where did that uneasy feeling come from?”

Usually from some point in time when you were a lot younger and a lot more impressionable and somebody disapproved of you jumping to the front of the line when the ice cream van rolled round and you pushed ahead.

It doesn’t matter. It was a hot day. You were hot and thirsty. You wanted an ice cream.

And really it’s your interpretation of that event.

Sure, that person might have been trying to teach you manners.

Or, that person just basically didn’t get there first and became really, really pissed off and wanted you to feel bad.

The point is you allowed yourself to feel bad, and you've been carrying that little guilt message with you ever since.

So, can you see how these things don't really help you in becoming the most wealthy person that you could possibly be.

Or being the best version of yourself.

Take home point 10: Being broke doesn't help

Being broke is not a badge of honour because it doesn't help.

It doesn't build schools, it doesn't build churches, it doesn't support good causes.

You're just another mouth to feed.

But when you are wealthy, you have at your disposal cash reserves to make positive changes and better the lives of a lot of people that you won't even know you've helped out.

And that's pretty cool.

So being wealthy means being willing to receive thankfully.

And when you receive, even when if it's your monthly pay check, receive it with thanks.

That's the important thing.

Take home point 11: Be thankful for what you have. Focus on what you've got

Don't focus on what you don't have because where your attention goes, energy flows and it will take on a life of its own.

When you find the odd ten cents on the ground, pick it up and say, "Thank you. Thank you. Thank you."

Just revel in that idea of thankfully receiving.

Even if you receive a compliment, just say “Thank you”. Don’t go, “Oh, it was nothing”, okay?

Yes it was something.

You did something that was outstanding and sensational enough for somebody to compliment you.

Be comfortable with that.

It’s not being big-headed. Trust me.

You are actually saying to the Universe, “I’m comfortable and very happy to accept what you have given me”.

The question I asked at the start of the show was, “What does it mean to be wealthy”, what is your definition of wealth?

And if you’re hard pressed to come up with the definition then it just means that it’s still fuzzy in your mind.

And it’s like the sport of archery where your arrow has to hit the bullseye.

If the target is fuzzy, how can you aim at it?

If you can’t clearly see it, you can’t hit it.

It is not an intellectual exercise.

Because you’re actually going to live it. There’s a point to this, folks.

When you live it, breathe it, it becomes you, it gets to you at more than the intellectual level.

It gets you at the emotional, physical and cellular level. Every cell on your body is screaming, “Yes, I know what the definition of wealth is and I’m living it”.

Take home point 12: My definition of wealth also includes having good health

You didn't see that coming, did you?

You cannot the enjoy the fruits of your labor if you're stuck in an iron lung. Sorry.

If you're some way incapacitated, simply because you didn't look after yourself, for example neglecting your health causes you to suffer a cardiac infarct, it's not a happy place to be because that significantly reduces the quality of your life.

In the wholistic sense of the word, you are not wealthy.

Just think about it, work with me here.

So your health is definitely important.

Conversely if you lost all your money it's not hard to make it back again because A) you know how and B) you're physically fit and healthy enough to go through that process again.

You have heard about people who make their millions, lose it all, and then come back, bounce back, within the next couple of years even more wealthy than before.

Why?

Because what they've got is information and experience in their heads. They know how to become wealthy again.

And they have the physical means if that's what's required, to do what they need to do.

This bears saying *again*; it's a bit difficult to repeat your successes if you're hooked up to a life support machine to keep you alive. It's just not fun.

Take home point 13: Being wealthy is having loving, respectful relationships

It's having love and respect for relationships and it's also being at peace with yourself.

No point being rich when everybody hates your guts.

Your wealth is there to be shared.

An Australian couple (Matt and Amanda Clarkson) made their fortune on eBay.

They became financially independent and didn't have to go to work anymore.

They found it got a bit boring.

Why?

Because all their friends were still at work, and they had nobody to play with.

We enjoy that interaction with people and want to hang out with people preferably those who think along the same lines.

In the context of relationships your friends and your family can be your biggest allies in your wealth creation journey.

You know the old saying, "Behind every great man is a supportive woman"?

And so, "Behind every great woman is a..." I'll let you fill that in.

So we need partners, we need people around us who can cheer us on when things get a bit crappy and rough.

I just had a comment come in here in the chat room about their definition of wealth.

And this person wrote, "I am able to be clear, quick and appropriate in my expression of myself, claiming full personal power in everything I do."

Well done, I like that. That's a great one. I think I might pinch it for myself.

Take home point 14: Being wealthy is also being at peace with yourself

The fact that a lot of people get into trouble after they've made their fortune is because they have no sense of who they are, or their sense of self is external.

They became wealthy because they needed to prove a point, needed to give the middle digit to somebody who told them they wouldn't amount to anything.

You know the saying "Don't get mad, get even or get rich" does work on that level.

It propels you, it gives you the reason to get to that stage of being a millionaire.

But after that, just be very careful that it doesn't become the sole purpose because your subconscious is going to associate being wealthy with being angry and wanting to show the person how wrong they were for doubting you or telling that you won't amount to a hill of beans.

You don't want to stay angry forever.

It will seriously affect your health.

And the way that these people regain their health is to lose their money.

So they don't get angry anymore. But it becomes a Catch-22.

So be mindful of the reason for becoming wealthy.

Let it be a good reason.

Among other things, it's respecting yourself.

When you respect yourself, you like what you see in the mirror every morning and you think to yourself, "Geez! I'm wealthy because of who I am!"

In that sense, it's a virtuous cycle.

And finally you can also help a lot of other people.

That is going to be a recurring theme that you'll hear from me.

The fact that your wealth is used not just to look after yourself and your immediate family.

There is a bigger purpose.

When you get to that bigger purpose and you twig and a penny drops, no pun intended, you find that it opens up a whole new world.

And it's a neat and special place to be in.

So, we've covered all the ground that I think we should cover for this particular episode.

On that note, I wish you well, I wish you a good week. Take care. God bless.

Be nice to others and be happy to receive and receive with thanks.

Yours in health, wealth and happiness

Lorwai

If you enjoyed reading this, please head over to <http://www.yourmoneyandyourmindset.com> to download a collection of recordings with millionaires that I have had the pleasure of interviewing for their tips on becoming independently wealthy and the amazingly simple strategies they used to become financially free!