

Although Jack was feeling energized by Nuala’s Lesson and the day’s events and wanted to carry on, he checked with Anabel about her pacing. She was very happy to continue learning. Trainers are life-long learners, he realized. He admired her passion in learning and again could see the perfect fit of The Prophecy to this exquisite woman.

“Would you like to take lunch back at my place, and we can go over my Flow Plan?”

Anabel flashed him a look and said, “do you promise we are going to get some work done?”

Jack roared with laughter, as he had considered that distraction, but knew they needed to work together more today. “Yes, I promise! We won’t stop until we finish the Plan.”

At his villa they had lunch delivered while he began to write out his Plan again on a whiteboard. This time, Anabel had a pen and paper for notes. She listened to him explain about the plan in a very left-brained and list oriented way; so different from the analogies of nature. She had to tune into his way of thinking to get the process-based material. As soon as he began to write those familiar F’s again, she interrupted him:

“Oh, Jack, I forgot to tell you, I started my “Fallback 10% account yesterday morning!”

Jack stopped writing and turned to her with a big smile. You’re really action-oriented! That helps your success. I’m pleased you took that on board. We hardly even covered it. Great. Thanks for showing that you trust me enough to apply it already.”

Jack didn’t say everything that he wanted to say, though. He truly admired Anabel’s ability to get things done. She has a fantastic balance of her masculine and feminine. She pulls in the masculine to soldier through tasks and take action; but God she was definitely, gorgeously feminine. He had to refocus on his training again as his mind and body wandered away.

“Alright, let me just list them all first, and then I will explain the why’s and hows of each.”

1. Fallback 10%
2. Fixed
3. Food & Fun
4. Friends & Family
5. Future
6. Forward
7. Furnishings & Frivo’s

“Frivo’s?” Anabel queried.

“Oh, that’s slang for Frivolities. This category means the stuff you can kick; things. They are the last priority when you are building wealth. We tend to shorten things in Australia. It’s a long word, so I just called it Frivo’s for short.”

“I see,” said Anabel.

As he explained each item, she began to notice a pattern in his Flow Plan. The overall context was a practical way of using and directing the incoming money flow. It detailed what to do with money as it arrives. On the side of her notes she re-categorized each of them into one of three groups: spending, saving and sharing. Jack was very good at giving a ‘one-size fits all’ plan for anyone. She could see how it was applicable at the beginner level of wealth building, as well as a way of thinking about being the steward of a large amount of wealth, like he had mentioned in the forest.

Jack spent the next two hours going over each of the 7 categories in detail. He didn’t need to go over the Fallback concept again, since she really got that one already. He began on “Fixed” expenses, as he called it.

“Anabel, I don’t usually tell people what to do, but for this plan, I am going to give it to you with the directions to apply it. It’s useless as a philosophy; it’s magical when you do the work and use it.

So, once you’ve set up your Fallback account - well-done - what you will need to do next is sit down and look at all your anticipated Fixed expenses for the coming year. You’ll only need to do this once, and it seems like a pain in the ass, but force yourself through it.”

“Add up a total yearly figure that includes all the known fixed commitments you have; expenses such as rent or mortgage payments, insurances, car registrations, regular petrol costs - ‘gasoline’ for you - phone bill expenses, and anything else that you’re committed to paying on a regular basis.”

“Take that and divide the figure to match your pay frequency. Are you paid monthly or weekly?”

“Monthly” answered Anabel.

“Okay, so you add up all the coming expected expenses over the year and divide it by 12. Then you know the figure you have to set aside every pay to accumulate, in advance, the amount that will allow you to have a bank account ready to pay the bills as they come in. Does this make sense to you?”

Anabel replied “Yes, and you’re right, it does sound like a pain, but I can see the benefits. It seems silly that we don’t already do this, instead of having to squeeze our pay when the yearly or big expenses come through. They do seem unexpected when they arrive, but I know that’s not true. Can we work this out together to make it real for me?”

Jack was again thrilled at her willingness to get things done. She could take the theory and action it. She has a huge potential for big success, he thought, with the discipline and follow through she has already developed.

They worked out her Fixed expenses together as she mentally tried to recall them all.

“You could go through last year’s bank statements when you get back, and that usually gives you a good picture of next year’s expenses.” He said.

Even just doing the exercise was useful, Anabel thought, as she could start to feel more in control of her commitments. She could set aside the amount that would be required over time, and leave the amount to build or drain, knowing it would all be needed. ‘This was great!’ she thought.

“Next,” Jack continued “is the Food and Fun money.”

Anabel stopped him again. “Sorry for all the interruptions Jack. I know you are on a roll, and you know this so well, but can I make a training suggestion?” She waited politely for his confirmation before continuing: “can we just list only the ones we have covered, leaving the rest of the numbers empty? I’d really like to see if it’s easier for me to focus only on the one you are talking about, as well as give myself a reference for the one’s we’ve already covered.”

He saw her point, and wiped off the other words on the list:

1. Fallback 10%
2. Fixed
3. Food & Fun
- 4.
- 5.
- 6.
- 7.

“How is that?” he asked.

“Yes, thanks, that makes it much easier to focus!” she said.

“Alright, so I put Food & Fun together because when I first started my own business, I was trying to cut back on all expenses and keep my business lean. I wouldn’t go out for dinner, I wouldn’t buy theater tickets or do anything that I thought was not ‘required.’ But after a year of that, I was exhausted and burnt out. I never allowed myself to have fun. My friends had drifted away as I just worked all the time. One day, I thought to myself, ‘what am I working for?’ I had lost touch with my goals: the lifestyle I had desired. This Jack had become ‘a very dull boy.’ So I changed the priorities and included the Fun category near the top. Then I decided that I would allow myself to spend as much on Fun as I did on Food, even in my lean years! To me, it was nourishment too.”

“So, you work out your weekly grocery requirements and double it to find out what you get to spend weekly on something that is fun, like going out to restaurants, having a bottle of wine, seeing a movie or going to an occasional special event. My whole outlook changed after this, because I began to enjoy the journey of building my wealth, rather than putting off any fun until someday. Did you know that ‘Someday’ never arrives?”

Anabel had been listening to Jack’s perspective through his own story, and it was interesting to see how people who are driven do sometimes get caught in ‘Someday’ and can cut out the very things that feed them, like their joy.

On the other side of it, she could see how it would also be useful in limiting other people from overspending on Fun, if they had to cap it to equal their Food bill. Interesting. She asked, “When can people increase this category, Jack? There must be a point where they have earned enough to reward themselves more. Or what about people who eat out all the time and don’t have a big grocery bill?”

Jack considered her questions carefully.

“Anabel, the purpose of this Flow Plan is to give people the blueprint to become good stewards of wealth. The Food & Fun money is a total amount, split down the middle. One month they may spend more on groceries and less on eating out, but they need to balance it back. If they do that when they start out building their wealth, then they will also do it well when they have overflow. It’s the Overflow concept that triggers a new, higher model for spending more. But it’s not useful for people to justify spending more on eating out than eating in, if they have not yet allowed the flow through all these categories.”

“Some people have the ability to set specific goals of how much money they want, but they forget to focus on the use for that amount of money. We attract money more easily by filling a use for it. Our minds are tuned in when we see the purpose behind the amount, not just the amount.”

“But I am getting off the Flow Plan. Before I go on, have you got any questions about it?”

Anabel thought she needed to clarify her save - spend - share ideas to see if he had more to add or to correct her perspective. She explained what she had seen in the overall context of these categories.

Jack listened intently to her re-interpretation of his categories, and yet again, he was amazed at this woman’s intellect.

“Anabel, I haven’t even explained the rest of the categories and you have been able to see succinctly where this is going. You know what, starting out with those three simple areas makes it easier to understand! Why didn’t I have you there when I put this together? Thank you.” And he had to kiss her right then. She laughed at him, but enjoyed learning from him.

“Okay, so we could say that the overall ‘what’ we do with our money is covered by your 3 actions:

Save it

Spend it

Share it

And we have the Flow Categories for ‘How’ we do this, following set priorities.

So, we go back to our list and follow down. Are you happy with the fountain analogy?”

“Yes, it’s good Jack. Help me out with the rest of the visualization on that though. Are the different categories bigger and smaller?”

Jack answered, “yes, depending on the current level of spending you’re already committed to. It’s not my intention to detail how much anyone should spend. It becomes an enlightening exercise to work out your current reality, and then you can decide whether you want to prune some areas. That’s a natural response once your overall habits are revealed. Pruning season is an important part of wealth stewardship. It doesn’t matter how much you have or earn - there is no excuse for mindlessly wasting money. That is a bad habit, and we are working on good habits that will help you build wealth over time, and keep it circulating.”

Anabel asked “and what about the last items for the fountain? Do they remain ‘empty’ of flow until the higher priorities overflow?”

“Yes exactly. But,” Jack said as he wrote the next category, “for instance, it seems unrealistic to ignore Friends & Family.”

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“This area is for invited socializing, going to family events and buying the celebratory gifts on expected occasions. You have to delegate some money to that even if overflow is not there. I am talking here about the early days, when everything seems tight and people are finding that they are not able to pay all the bills. People naturally squeeze Food & Fun when it’s time to buy a birthday gift or if they need to go out for a family or friend’s dinner event.”

Anabel had more questions. “So what about things like medical costs? Where does that fit in?”

Jack was very healthy, and he hadn’t had much to consider around this, but he knew how he thought it would be covered.

“It’s not been a big cost for me, but I understand that some people do face this regularly. I believe that the cause of a lot of our medical issues can be related to food and lifestyle choices. Not all, but a lot. I consider those as Food expenses. So prescriptions cut into the Food & Fun money. It sounds harsh, but it’s what we would do if we had to choose. And from my research, if we spent more on

good natural food, we might be able to cut down on the prescriptions. Otherwise, regular medical costs go into the Fixed category, if people will need to buy them ongoingly; same for costs of dentists, chiropractors, physical therapy, naturopaths; anything with health. So again, if it is an expected or planned commitment, then it's calculated into those Fixed expenses. Isn't it a reality check to plan for it? Many people resist looking at it. Otherwise, of course, in an emergency it can come from their Fallback account. Remember, that's intended to be self-insurance. As the amount in Fallback grows, it's an incredible point of personal power to have your own source of these unexpected expenses. And you pay yourself the premiums, remember?"

Anabel did remember him saying that. Self-insurance was an intriguing concept. It would have to be started early, probably or you'd have to continue to depend on gambling with the insurance companies as the Fallback.

"But Jack you're not saying to stop buying insurance, are you?"

"No, not at all. There are insurances that are prudent and almost necessary. It's a random world and we interact with all sorts of people whose behavior, accidents or mistakes may affect us. But self-insurance is, again, that security for a better night's sleep, knowing you have a back-stop building up."

"Anabel, we've covered a lot of very uninteresting stuff, so shall we have a break?"

She didn't think it was uninteresting. She loved listening to how this man methodically looked at the flow of money. She was really interested in hearing about his Future and Forward categories. She had no idea what Forward meant, but she guessed Future had something to do with long-term savings. They stopped for a break to clear and refresh.

"So Jack, shall we go for a walk? I am really curious about these 'Future' and 'Forward' categories. Do you want to talk and walk?"

Jack smiled at her. She was a sponge for learning! He couldn't believe how much she could take in and still ask for more. He was the one who needed a break, not her.

"Okay, darling, lets go for a walk. Do you feel like the gardens or the beach?"

"I'd love to do the gardens - they're a little cooler at this time of day." she said. She grabbed her notepad to continue writing down his ideas.

They walked through the larger area of the resort estate and he showed her where the property spanned. She was impressed by the size of it.

"How did you ever find this property Jack?"

"Nuala and Salla. It's Salla's property. I just have a lifetime lease-hold agreement on it, so I built and own what's on top of it. There are restrictions on who can own property on the island, but foreign investors can add what's called 'improvements' on the land. Eventually it will be passed to Nuala, as Salla's adopted daughter. This land is very special to all of us.

Anabel suddenly saw a big hole in Jack’s Flow Plan.

“Hey Jack, what about people’s debts? I know you said the fixed account covers a mortgage, but almost everyone I know uses credit cards and store credit.”

“Yes, the personal borrowing habit for accumulation really gets me fired up. First of all, the goal would be to get rid of all personal debt on any outstanding credit cards, store credit (we call that ‘hire purchase’) and personal loans on cars or other borrowings. When people go into any debt, they have effectively sold their future income. They are running in an endless, 24 hour cycle of negative income energy, and it can be damaging to their mindset of wealth and freedom.

“There is a wonderful common method to quickly get out of the credit card and small loans debts. It’s not my idea, but here’s how it works:

1. Stop using them; leave the cards at home; close multiple card accounts that have no debt on them. Those loyalty reward points are a sugar-trap, serving the lenders rather than you, because once you get into the ‘habit’ of using the card, people lose track of choice. Do keep at least one credit card, though, because travelers need to have one for car rentals and hotel deposits.
2. Calculate their balances and put them in order of outstanding amounts, smallest to biggest.
3. Choose the smallest balance and pay down as much as you can squeeze until it is paid off, while only paying the minimum on the rest.

“Pardon me Jack, but shouldn’t people pay the one with the biggest interest rate first?”

“It seems logical, but because of the way the human mind is designed it is better to do it this way. We get energy when we finish or complete something. It creates a vacuum in The Flow, and gets us motivated and excited. It also makes people feel like they are progressing, which they are. Yes, there is always an option to consolidate their debts if they are behind on payments and need it, but that usually means they are locked in to paying more interest in the long run; it depends on their situation.

4. As one is paid off, repeat the process on every outstanding small credit and keep rolling the same amount you paid into the next biggest debt. What happens is that even though you are still repaying the same total amount out, you begin to pay less interest, allowing for a snowball effect. It gets easier and speeds up. Pretty soon, you have no more debt; or only one to manage and you are repaying more on it.”

“There is an additional exercise I suggest. It’s one rule I’ve added for personal debt repayment if you get a large amount or ‘windfall’ such as a pay bonus, a surplus tax-return, an unexpected payout or an inheritance, for instance:

- pay 50% straight onto any outstanding debt - after you have done your Fallback 10% of course. Then the rest you can spend, share or save.”

“I have to tell you a story to illustrate.”

“I once knew a plasterer in Australia - what are they called for you? Gib-stopper? Anyway, he was a tradesman, earning a meager \$30,000 a year. He got a job during the mining industry boom as a

manual traffic controller. This guy would stand out on a stifling hot, dusty four-corner intersection and when the occasional truck showed up, he would change his hand-held sign to either Stop or Go. He was paid \$300,000 a year for that job. This was only a couple of years ago. It was a crazy boom time and anyone who was willing to go to remote places to work were getting quadruple or more of what they could get in any other job. I knew him casually and when we had coffee once, he told me his good fortune. He was talking about taking this income and buying an investment property in a large city far away from where he lived.”

“I have always thought that it’s prudent to get to know the real estate location well before you buy. There is a useful philosophy in real estate which says ‘you make your money when you buy.’ I never invest in areas outside my expertise, and expertise means at least 3-5 years training or research in an area. Whether it’s a company, the stock market or real estate, I find it to be a good business investment rule.” He asked me where I thought he should invest his windfall. In Australia there are strict regulations about providing investment advice, and people can’t give any unless they have the certification and licensing as a Financial Planner.

“So, I couldn’t tell him how to invest his money. But this is the formula I suggested for his decision-making process, and it works whether you get a windfall like winning lotto, getting a huge raise, a bonus or any other large increase:

- take the amount and divide it by 10 years.
- ask yourself if this was your yearly income for the next ten years, would it still feel like a windfall?
- if yes, then go back to the original amount and divide it by 20 years and ask the same question.

Do you know how much that changes the perspective? When he divided his upcoming yearly salary by 10 years, he would only have \$30,000 per year for the next 10 years. That was a decent little 10 year income. And he was close to retirement then. But, he went ahead and spent it without a plan. He went to an ‘educational’ seminar presented by the very people that profit from the education, and he followed the advice of the real estate agent who was selling the properties! And you know what? The mining boom collapsed in a year. Now he is back to where he was, barely able to pay his rent, but a year older.”

“Can you see why I think this circulation and flow material is so important for planning spending decisions before the situations arise?”

What a story, Anabel thought. She guessed everyone dreams of winning the lottery, but she’d heard that most of them end up worse off in five years. She had thought that it would be sensible for people to get financial advice, and of course not spend it all. But these suggestions about how to look at the windfall, and how to repay personal debt quickly were all about mindset. They gave a broader perspective over time, and she could see how it did help the decision-making process with any big, sudden amounts.

“Yes, I can. Hey Jack, I have an idea about this debt philosophy to fit it into your Flow Plan. Why not call it the ‘Freedom’ category?”

Jack looked at Anabel and said “I love it! What a perfect way to describe the result it will bring!”

Jack was again, feeling the strength of The Prophecy through this clever woman’s teachings. She added so much more to what he and Nuala had already put together and used all these years. She was in every way, the Second Student.

He wondered why she hadn’t already started on some sort of plan herself, if she seemed to receive and make sense of all this knowledge so easily, like was just common sense to her.

“Have you ever thought about buying your own place, Anabel?”

Although Jack had asked her about her real estate experience before, he wanted her to think about this question and apply it to her possible choices in the future. Earlier, when they had gone through Anabel’s Fixed expenses together, he got to see what most people consider the most intimate details of their lives - their finances. He saw that she was renting, and could also see she had an amazing income for an employee and trainer. During the exercise she said that she’d realized she could change a few areas and create some more room to actively spend her money differently. He knew that once her Future savings began to overflow, she would have choices to change her financial life substantially. He hadn’t covered the Future category yet, but he was sure she would grasp how it fit. He didn’t need to advise her; the Flow Plan gave her the information she needed to come to her own conclusions about her personal finances.

“Not really. I haven’t had a way to see how to save. A down payment seemed like such a large amount. But now I really can see a new way to break it down and incrementally continue to save in the Fallback account. I am curious, what happens when the Fallback account gets bigger and bigger?”

“The Fallback account is not really a savings account, even though you are putting deposits in, and you may be getting interest from the bank. It’s a holding account which allows for building up month-to-month liquid cash security. If it’s not being drawn from, you could eventually make new choices about reducing your Fixed insurances, for instance. Before you can think about savings and investments, the cascading income - not Fallback - needs to be reaching downward to the other spending categories. Once you are comfortable with your spending and management of Fixed, Food & Fun and Friends & Family, the income overflow then falls into ‘Future.’ And that is when your wealth can potentially take off, or build serious momentum.”

Anabel got it! She realized that she had been looking at the Fallback as a type of savings that would be put to use later as the wealth builds. But she hadn’t seen that the Future category took care of this. These concepts were revolutionary, but so simple! She looked at her list and added the ‘Future’ category next:

1. Fallback 10%
2. Fixed
3. Food & Fun
4. Friends & Family
5. Future
- 6.

7.

“However, the temptation when the ‘Future’ category overflows, is to fall off the wagon of the Flow Plan. There is more to consider with the stages of wealth. So remember, the two other categories are still needing to be filled before there is true overflow though.”

Jack realized he could easily just give her the next two categories now, since she had the foundation of the rest, and the fountain analogy.

“The ‘Forward’ account means ‘pay it forward,’ as in giving and sharing your wealth.”

Anabel wrote the ‘Forward’ category in the 6th spot.

1. Fallback 10%
2. Fixed
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- 7.

We all need to contribute to our personal causes, but most people do it too soon. When you wait, and hold your flow in this order and ‘feed yourself and your family’ first, then you have more for others. Then it can be a constant source of giving, which helps the cause when they can begin to depend on a more constant source of contributions. You become a ‘benefactor’ or a sponsor. Don’t get me wrong, if you feel like giving spontaneously anytime you can spare it, then give! It feels great to share, especially if what we have is precious. I am talking about the feeling people have that they ‘should’ give, when they or their family are lacking the basics or falling behind on their own commitments.”

“Alright, finally, do you remember that I put those ‘Furnishings & Frivo’s’ last?”

Anabel completed her list with his jargon and smiled as she wrote it.

1. Fallback 10%

2. Fixed
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“Yes,” Anabel said, “I was wondering how that works. People need furniture. They need washer machines and fridges. And also, where do things like cars go?”

Jack explained, “The purpose of the Flow Plan is to give a clear, ongoing way of making decisions about money management, ‘filling the fountain’ in a particular order. I know this is going to sound harsh, but until the other areas are in overflow, you go without these things. You go to the laundry mat, you take a bus, you sit on crates and have an older mobile phone. You borrow someone’s spare fridge or get it incredibly cheap and as in an emergency, use your Fallback money. If you want to be wealthy, you must make decisions in response to the income you have, while always focusing on finding more sources.”

“When people start increasing their income, they go through 3 phases. The first is relief. They have no true overflow, but they can begin to pay their bills on time; they can buy their groceries each week and still have a little fun and enjoyment in life. This Flow Plan could actually help them to have a freer mindset. Can you see how it might also help them be better employees and maybe then get a raise, or look for better opportunities in their businesses?”

“The second phase they reach is Comfort. It may take a while, but they have become wealthy! Most people are happy to stop looking for increase in income at this stage. They have arrived at their goals and they manage their wealth and stay at this level. However, life has a natural principle of attrition, and if they don’t continue to focus on the source of income even after they reach the comfort level, then it will be eroded away over time, or economies will change and they could be caught short. Investments always have risks.”

“So it’s better to continue building wealth through the Flow Plan until they reach the final stage, which is Caretaking. This stage comes when the overflow allows their ‘Future’ category to expand into greater and greater investments. Their wealth is finally its own source of income! But now, their wealth requires greater attention, and they have to know a new level of stewardship. ”

“When you get to the Caretaking stage Anabel, you will have people continually coming to you, asking for money. Some will want you to invest in their opportunity or cause. Some will ask for it out of need and entitlement, especially relatives. Some will try to demand it through court cases and litigation. It may sound unpleasant, but if you know it is part of the long-term stewardship of money, you can prepare for it.”

Anabel suddenly saw the issues of being this rich, and she had a thought about wanting to avoid getting too rich; she could feel it. She decided to bring this up honestly with Jack and see what he had to say.

“Jack, I have some beliefs coming up about wanting to avoid all that stuff. It puts me off wanting to get to that level, which I know might limit me at early levels too. What do you suggest?”

Jack was pleased with her self-awareness and her courage to state it genuinely.

“By knowing what might stop you, you can clear the beliefs that don’t serve you. So for instance, you could replace the belief ‘it seems too hard or scary to be rich’ with a new thought, such as ‘That would be a good problem to have.’”

Anabel laughed. Was he joking? But it was true. If she was having that set of problems, she would have an amazing lifestyle; the adventures, the travels, the people, the experiences, and the choices. Yes, that would be a good problem to have, she decided.

Jack also added “I can tell you exactly how to make those Caretaking decisions easily Anabel. When people come to you for money or opportunities, check them against your values, not theirs. When you spend your money on your values, you are aligned. The decisions become easy, and you learn how to diplomatically apologize and decline people’s requests so that they truly understand you are following a set of principles that you can’t be asked to violate or sacrifice.”

Anabel looked at Jack, admiring the simplicity of his answers. Now, she had a clear idea of his way to manage money and wealth at any level.

“Okay, Jack, so now, I am truly impressed by your wisdom with your wealth. You have shown me how to begin, how to continue on the pathway, and how to see the entire journey with acceptance and joy.”

“Hey, I just realized; it’s the same me, making the same decisions at all three of those stages. It feels comfortable and familiar.”

Jack suddenly embraced Anabel and passionately kissed her. He needed to express how accurately she understood so much. She had just accepted an identity of wealth. She was on her way to so much more. He felt proud of her.

“You’re amazing.” He told her.