

How to Unfuck your Finances [Money]

Kill Your Inner Loser | 4 April, 2022 | by Andy

I know quite a few of you are struggling with debt (I certainly was during my *getting laid phase*), and you feel like you can't quite get a handle on your finances – like you're always one step behind. Trust me, I've been there – [feels like absolute hell](#).

One of the guys in my [group coaching program](#) – a guy named *Paw* – shared a post in the group about how to get your head above water, claw your way back from debt and start actually saving and making some money. This guy has worked 6 or so years with a finance company, and has written 300 or so articles on finances. He knows his shit.

I'm posting it here with permission in the hopes you guys will get a lot out of it. He's covering the basics, but that's where a lot of us need to start. **This article is aimed more at guys who are currently struggling financially**, rather than a guide on "how to get mega rich". There's an entirely different toolset needed to get rich, obviously. The below info is for guys in debt, guys who are struggling to get a handle on their finances, and guys living month to month who want to have more "wiggle room" each month.

Guest post by *Paw*:



I noticed a bunch of you guys in here have money issues of some kind. Hope this helps someone.

How to Unfuck Your Finances

First of All, Why Should You Listen to Me?

I have been working with a finance website for the past 6 years. We have more than a million monthly visitors across 26 countries. Throughout the years, I have probably written 300 articles on different topics within personal finances and taught almost half of the team.

I am still in process of working on my own wealth, and I am still pretty far from being a millionaire. That said, if I stopped working today, I would not have money trouble for the next five years at least.

While I do not recommend you become a stingy fuck, learning how to properly manage your finances is extremely valuable and will improve your life. So let's go.

Wealth Equation

There is a very simple way to become wealthy. **A little richer month after month**. The equation is this: spend less, earn more, invest the difference.

Live well below your means, and you will never be fucked and you will have the freedom to do whatever you want, regardless of employers, for example.

So here is a **4-step guide to unfuck your finances**:

1. Make a Budget

To see where you stand, you need to know how much money is coming in and how much is going out. Make a list of every single income stream and every single expense you have. That's all a budget is.

Check your bank statement(s) and make a list.

Approximately how much money is coming in and going out? You don't need to go all OCD on this, but you need to know more or less.

[Andy's note: I actually recommend you *do* go "all OCD" and write out EVERY SINGLE THING you spend money on. It's too easy to bullshit yourself and ignore all the little costs (eg Spotify memberships, those coffees you have every morning before work, etc) – it's too easy to tell yourself "those don't count". I recommend you write out EVERYTHING you spend money on so you have an absolutely 100% true idea of how much money you're spending, and aren't surprised by any extra stuff you had overlooked. I've written out a full, "OCD" budget myself many times and it's helped me so so much to get a handle on my expenditure.]

If you are surprised at some of the things you spend on, GOOD. It means there is a lot of room for easy improvements.

2. Cut Stupid Costs

One thing that's extremely important to understand is that saving money is EASIER and MORE POWERFUL than earning more.

Why?

Because you can multiply saving with time. You might spend 1 hour this month figuring out how to save \$100 per month without downgrading your lifestyle. That's \$1200 per year.

Think about it like this. If I asked you to work 1 hour for \$1200, would you do it? The answer is obvious. Most of you will be able to save at least \$100 extra per month, if not more, without downgrading your lifestyle whatsoever.

Now, you could spend longer figuring out how to save more, if you find that productive.

Anyway.

The three biggest expenses for most people are housing, transportation and food. You will be able to check this in the budget you made. Finding a good apartment deal, starting to bike instead of driving and not eating out often will save you a lot. Remember 8 times of eating out per month for \$20 is \$160/month or ~\$2000/year. Yes, you could save \$1000 just by "only" eating out once per week instead of two.

Think of how many Tinder boosts that is per month.

It's up to you how hardcore you want to go, of course. Again, I don't think you should become a stingy fuck because that's not just a good mindset to walk around with. That said, it's worth knowing how to think this way, not being stupid with your money and then deciding what you want to do from there.

I'll throw in a 4th expense category, which is "random shit you don't need".

Look through all your expenses and cut out anything you have not used more than once in the last 60 days. ESPECIALLY monthly expenses.

Cutting a monthly expense will save you a lot of money.

[Andy's note: I agree with Paw here; most people spend inordinate amounts of money on really really silly things they don't actually want or need or even enjoy all that much – if money is an issue for you, cutting these out is a super quick fix. The biggest example is *buying girls drinks on dates* – so many guys don't actually want to buy girls drinks, but do it because they think they "have to". For years I never bought a single girl a drink, or coffee, or anything else – and it made no difference to how much I got laid.]

Cutting down works too. If you can go from paying \$30 on your phone bill to \$15, you're saving \$180 per year. Worth it for 5 minutes of work?

3. Earn More Money

Earning more can potentially be as powerful as saving, but it's harder. You can't just spend one hour figuring out how to earn an extra \$100 per month. At least that \$100 will not repeat itself every single month without any input from your side, like it could with saving.

Or maybe it could, if you got an asset that makes you \$100/month without any maintenance. More on assets later.

With earning, you will (usually) need to put in more effort to earn more, meaning you'll invest your time.

I'm not going to get into exactly how to earn more money, since there are infinite ways **[Andy's note: [Here's a couple of suggestions.](#)]** That said, as you develop your skills and career, you will naturally start earning more.

The KEY thing to do when you start earning more is to keep your current lifestyle. DO NOT inflate it at the same rate as your earnings.

If you start making an extra \$1000 more per month, don't upgrade your lifestyle. Live in the same apartment, or only spend an extra couple hundred of dollars. Remember that \$100 per month is \$1200 per year.

Even if you're currently spending 100% of your take home pay, you will be fine if you start earning more but don't upgrade your lifestyle.

This advice applies unless you are not comfortable at this moment. Upgrade your lifestyle to a point where you are comfortable to take solid action, then keep it at that level.

If it's noisy as fuck in your neighbourhood and you can't sleep and it's messing with your productivity, it's worth it to spend an extra couple of hundred extra per month on an apartment to get good sleep and be happy and productive.

If you start earning more, you can also choose to only upgrade 10%, for example. I mean, if you make \$1000 extra, you upgrade \$100 if you feel the need.

There is a point to be made here about simply earning more being enough. If you just focused on earning more and started making 50k per month, why would you have to worry about saving, budgeting or anything else?

This only works if you don't inflate your lifestyle at the same rate as your earnings.

You might have more comfort if you spend more, but your mind will adapt to it quickly. You will feel pretty much the same as before after a certain threshold. **[Andy's note: This is called the *Hedonic Treadmill*. [Here's a decent video on it.](#)]**

And you would be surprised how much people will upgrade their lifestyle. Better to live well below your means, COMFORTABLY than having a bunch of shit you don't need anyway.

Read the book: *The Millionaire Next Door*.

4. Invest Your Money

Invest money either in money-making assets OR in yourself, e.g. in coaching, training, etc.

[Andy's note: The BEST thing you can invest in is YOURSELF – coaching, books, courses, etc. You're shortcutting your success, avoiding all the mistakes and pitfalls you'd otherwise make, and upgrading yourself means you will never lose those skills. Nobody can take them away from you.]

This is the exception to the "don't upgrade your lifestyle" advice. If you buy a standing desk for \$500 and it makes you more productive, that's an investment that will pay dividends.

You'll have better health, be sick less often, be more productive etc. You can also invest in coaching that

will help you earn more money or upgrade your skills.

You can also set aside money to spend on things you truly value in your life. Tinder Platinum, for example.

Once it's relevant, I would also invest in stocks/p2p lending/cryptos/your own business/real estate etc. Things that could potentially be worth more in the future than they are today.

I'm not a financial advisor, and remember that all investing comes with a risk of losing that money.

That said, if you invest \$1000 bucks per month and gain 5% return per year (pretty conservative), after 10 years you will have earned about \$35.000 ONLY from compound interest. That's about 3k per year. After 20 years it's about \$170.000 (7k/year). From doing basically nothing.

This is how you leverage what you have earned and **make your money work for you**. Keep in mind that investing is a long-term strategy, not for quick gains. That would be trading (or gambling depending on your skill level).

From the book *Rich Dad, Poor Dad*: buy assets, not liabilities.

If you buy assets instead of consumer goods, you will never be fucked.

More Tips:

- **Saving 50% of your take home pay means retiring in 17 years.**

If you save and invest 50% of your take-home pay, you can "retire" after 17 years, if you get a return of 5% per year.

At this point, the return of your assets will cover your monthly expenses, plus you will have a pile of cash.

Retirement in this sense means that you don't have to work for money and can do whatever you want without depending on anyone. Essentially fuck you money.

As an example of this, if you take home \$4000 per month and \$2000 covers all your expenses, you're good after 17 years. You don't need to bust your ass for 50 years like most people.

Can you save and invest 75%? Now it's 8,5 years.

Read this:

<https://www.mrmoneymustache.com/2012/01/13/the-shockingly-simple-math-behind-early-retirement/>

- **Build up an emergency fund before investing.**

You should have at least 2 months worth of monthly expenses saved up and available before you think of investing anything. Preferably 6 months, depending on your risk tolerance.

- **Don't invest money you need soon.**

If you're saving for an apartment or know you need some money for something soon, don't invest that money. Doing that will significantly increase the risk of losing money.

- **Prioritize debt if you have it.**

While there is some chance that your debt might be cancelled, I would prioritize paying it off. If you pay off debt with an interest rate of 8% that's like a GUARANTEED 8% return on your money.

So make extra payments if you can.

There are exceptions to this, where you have *good debt*. If you have taken out a loan to invest into your business, you are leveraging that money you have lent.

That is very different from consumer debt [**Andy's note: "consumer debt" = debt from buying a new phone, TV, video games, etc – things that don't earn you more money or make you more productive.**]

- **Good money habits become autopilot eventually.**

Just like any other habit, you will be able to manage your money well without any effort. It will simply be the way you think about it.

Summary

Action steps to take *right now* to unfuck your finances:

1. Create a budget to get an overview
2. Cut out dumb expenses and things you don't use
3. Earn as much as you can
4. Invest the difference.



[Andy's note: Drop a comment below and let Paw know if his advice helped you.

And if you wish to contribute a guest post and can match this article's quality, [message me](#) or leave a comment below.]

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