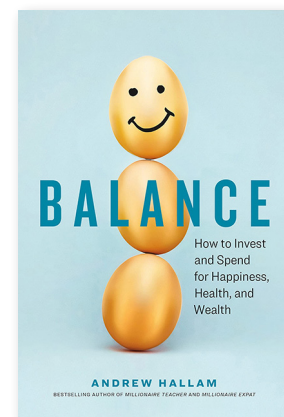


Balance

How to Invest and Spend for Happiness,
Health, and Wealth

by **Andrew Hallam**



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THE SUMMARY IN BRIEF

Sometimes it takes more than one question to get to the root of our motivations in life. In fact, Andrew Hallam starts his book *Balance: How to Invest and Spend for Happiness, Health, and Wealth* by describing a conversation between himself and his students whose educational aspirations have them locking their sights on Ivy League universities – he asks them, “why?”, as a means to find the underlying motivation for their drive in life. The same philosophy can be transferred to other areas of our lives – why do we do the things we do? Are we motivated by wealth, health, happiness, or something else entirely? Andrew takes us on a journey to discover the underlying motivations in our life and why balance is ultimately the best way to ensure you succeed and meet your goals.

Navigating the investment waters can be difficult – but after experiencing this book, you will be able to find the motivation and solutions necessary to find the balance needed to prosper and enjoy life.

IN THIS SUMMARY, YOU WILL LEARN:

- How asking “why” can change your view of the world.
- Why finding a balance between money, relationships, health, and purpose can help you go further.
- How to invest the right way from the start (including your children’s future).
- How to maximize your retirement while living life to the fullest.

Introduction

Constantly asking the question “why” can help you get to a place of understanding; all be it a place that begins to sound the same – ambition and goals driven by the same four quadrants of a successful life:

- Having enough money
- Maintaining strong relationships
- Maximizing your physical and mental health
- Living with a sense of purpose

Instead of focusing on one quadrant over another, finding the balance among them becomes necessary. When one of the quadrants lacks, the entire table becomes unstable, and finding satisfaction in life becomes impossible. The purpose of this book is to help individuals on their personal quest for wellness. Using stories and research to describe relationships between money, health, happiness, and purpose while offering suggestions that allow you to live your best life possible – if you can keep an open mind, respect the research, and be open to the idea of dancing to a beat that is different than your neighbor – you might just be in luck.

The Grim Reaper Asks, What Do You Value More, Your Stuff Or Your Life?

For many of us, buying things doesn’t improve our lives – in many cases borrowing money can really drag us down. We get hung up on the money translating to the status quo when in fact, we often overcompensate by purchasing items we can hardly afford to seem above our means. In the process, we have tried to normalize things like credit card debt and auto loans – who are we helping with these?

Cars are one of the greatest personal wealth destroyers that we bring into our lives. We often borrow to get the cars we want, but they begin losing value the moment we drive them off the lot. Sam Dogan’s approach is to only purchase a car worth 10% of your gross annual income. So, if you make \$40,000 per year, you should only spend approximately \$4,000 on a car. Whether or not you want to live by this principle, you should beware of the slippery slope of the “upgrade.” The desire to gain bigger and better can cloud our judgment, and we lose sight of the balance in our lives.

As a rule of thumb, always ask yourself if the purchase you want to make creates an experience that you wouldn’t have had otherwise. You must answer this to determine if the purchase provides an experience that boosts happiness

and well-being. Would you take it with you as one of your limited desert island treasures?

Would You Say No To A High-Paying Job?

There is a relationship between happiness, income, and the place you choose to live. A harmonious marriage of these can create balance, but there are a few tips you can use to live better. If you are considering a new position, don’t do it solely on the potential for extra income, especially if you already earn enough to cover your basic needs and additional savings. The prospect of a new job can culminate in reduced life satisfaction by taking time away from your family, hobbies, and all the things you love.

When applicable, try to align yourself with a career that aligns with your passions; they won’t feel as much like work. You should consider living in a neighborhood where financial resources are in alignment. Even though the neighborhood is ideal, make sure you don’t wind up with a long commute to work – it would be counterproductive. Mindset is key, even if you can’t choose where you live. Always focus on what you have, not what you don’t have.

Building Social Relationships To Live Better And Longer

Relationships with other people play a large role in living better and longer. You have to increase the amount of time you spend with people, especially those you love and respect – these people are necessary for living well. In terms of relationships, go narrow and deep (few friends) versus keeping your pool broad and shallow (multiple acquaintances).

Always be true to yourself if you want to live better as a person. Don’t try chasing after a status or particular lifestyle just because you think others will like you better for it. You also have to limit the amount of social media in your life – your life and health will benefit from extracting this drama from your life. The better your relationships (and genuine), the more you will find out how your superpowers are enhanced by those you build meaningful relationships.

Learning From Gratitude

Life is like a dark hourglass – we never know when the sand will run out. We have to strive to live the best life we can – today, tomorrow, and onward. The sad realization is that many people live unhealthy financial lives, spending too much, borrowing too much, and ignoring their savings. Re-

alizing this will help you stop envying those who have more than you – they are not living their best life.

You have to take the time necessary to appreciate what you have – not what you want. One way of doing this is starting a gratitude journal. Start talking to people about money – we often avoid the subject, but it is time that the discussions were normalized. The best way to open the communication channel is by finding someone with the same goals and values as yourself.

Afford Anything, But Not Everything: Spending Decisions That Are Worth A Million Dollars

There are many faces to our financial decisions, but you should always look at another perspective – how would your money grow if you invested it, not spend it? Start by using an app to help you track what you spend and categorize your expenses. Think about your household as if it were a business. Any business that doesn't track its expenses is likely to go bankrupt – you can learn many lessons by changing how you view your household. Start looking at what you are spending – is there a way to cut down these expenses and still live comfortably? If you can cut things without sacrificing your overall comfort and save extra, why wouldn't you at least consider it?

Daily Routines That Help You Make Money

Looking to secure future financial security? By investing regular sums, regardless of the short-term performance of the market, you can enjoy future financial security. A great strategy is owning a sliver of every business in a portfolio of index funds, or exchange-traded funds (ETFs) increases your odds of investment success.

Don't fear the short-term fluctuations in the market. The best way to understand is by studying historical stock returns so you can keep realistic expectations. As a rule of thumb, save money for a down payment on a home or keep an emergency fund on hand – don't put those particular funds into the stock market – keep those in a savings account or money market account for accessibility.

Don't Let A Financial Advisor Pour Water In Your Trumpet: Hidden Fees Drown Out Returns

If you are considering investing, put the odds in your favor. Evidence shows that the most effective way to meet the vast majority of professional investors is to build a diversified

portfolio of low-cost index funds. Don't trust anyone who tries to give you financial advice – even an author with life experience. Always do your own research and verification process – you are the one who determines your financial future. Always use the facts to arm yourself in the financial world – don't let an advisor fool you when selling you actively managed funds. Keep in mind that not all advisors are evil; most just don't know what they don't know.

Set It And Forget It: Hands-Off Investing Boosts Happiness And Profits

Always choose your investment service based on your personality. While full-service advisors can temper emotions, you should only use advisors who exclusively use index funds (or ETFs). Looking for service but want to pay less? Consider an automated robo advisor – this will help you manage your funds hands-free and at a lower cost.

When you spend less time thinking about your investments, the more money you are likely to make and the more happiness you will gain. When you are a DIY investor, all-in-one portfolios of index funds or all-in-one portfolios of ETFs make the process easier and help collar your inner speculator. If you are looking for something that can help you purchase such products, PlanVision can show you how for about \$200 a year.

How Well Do You Know Yourself? The Challenge Of Picking A Portfolio Allocation That Will Keep You On Track

Nobody knows how the stock market will pan out – fluctuation happens regularly. To be successful, you have to be consistent – adding money monthly, maintaining allocation, and not speculating are vital. Don't depend on market timing, either. Think of it like going to a casino – the house always wins!

Are you a retiree? Instead of focusing on forecasts and portfolio values, stick to an inflation-adjusted four percent withdrawal plan. Those who do can see their way through a market crash with approximately 30 years' worth of wealth to tide them over – just don't give in to the hype of an inflation-adjusted raise.

Men and women should invest equally – carrying their own weight in the process. Sometimes one member of the couple feels as though they are responsible for the “heavy lifting” when the reality is that they both benefit from doing their fair share.

Happy Planet, Happy People

Investment philosophies can be used to invest in environmentally sustainable funds. These funds still have the capacity to take out the pros with little effort required. If you are investing environmentally, vote for those who have environmental agendas. These are the people who will help make a difference in the future.

Create an environmentally friendly lifestyle for yourself, too. Try flying less frequently, buying locally, saying no to single-plastic water bottles, eating less meat, and reducing and reusing before you recycle. Before you make a major decision, especially with your consumption, consider the cradle-to-grave impact. Use the full process – manufacturing, packaging, and shipping for consumption and disposal. Make sure that you make SMART goals that positively impact the environment. Consider buying less of everything. The reduction should help you improve your happiness, your financials, and the future of your children and grandchildren. Additionally, some of your decisions can help you provide solutions that also give Mother Earth a break.

From Little Acorns...Helping Your Children Succeed

Children are the future, and we are the ones who have to teach them how their actions now will impact life later. Starting now, give your children household chores at an early age, including limiting their screen time. As a result, their social skills and sense of responsibility will improve as a result.

Instill in them at a young age that their money can be split into thirds – share, invest, and spend. Setting clear ground rules early on can help them commit to a healthier money management solution. The more you model sound finan-

cial decisions, your children can learn from these. Provide opportunities for your child to build their own financial muscles, responsibility, and personal pride. This can extend into college – you should help them with their costs, but don't pay their way. Give them some responsibility over their college expenses.

Rethink Retirement: Boost Well-Being And Longevity In Your Golden Years

Early or conventional retirement is overrated. You have to find a balance between work and play – that is the key to success. According to research, a lot of retirement-age individuals suggest that you might enjoy a happier and healthier life working part-time during retirement. Think outside the box – a mini-retirement can offer variety and stretch your perception of time. Consider living full-time or part-time in a lower-cost destination. When doing this, you can slash costs and increase living standards while expanding your perception of time.

Conclusion

No one is happy all the time – the overriding premise is: when you choose to buy something, live somewhere, do something, or accept a job, start by asking this question – why? You have to focus on your core values and learn how behavioral science might help boost your overall life satisfaction. Remember, balance is crucial – focus on the four quadrants; having enough money, maintaining relationships, maximizing health, and living with purpose. Always try to be yourself, but be your best self.



Andrew Hallam is the international best-selling author of *Balance: How to Invest and Spend for Happiness, Health and Wealth*; *Millionaire Teacher: The Nine Rules of Wealth You Should Have Learned in School* and *Millionaire Expat: How To Build Wealth Living Overseas*. Profiled on such media as CNBC, and The Wall Street Journal, he's also the first person to have a #1 selling finance book on Amazon USA, Amazon Canada and Amazon UAE. He has written columns for The Globe and Mail, Canadian Business, MoneySense, Swissquote and AssetBuilder.

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