Achieving Critical Mass:

the foundation of wealth

By Mark Stevens

It's 2 am. Foraging through the myriad of bills, you attempt to string along one of your many credit cards by paying the minimum payment. "Just until the tax return comes in." You take care of the basics, the essentials; the necessities of food and shelter, then wrap up your financial conference with yourself by uttering, "next month I'm going to get this under control!"

You're not alone.

You don't need to be told how many Americans are financially jammed up; you feel it. I've felt it, too. I've been there.

I also suffered the synaptic miss-switch of financial misfortune. Fortunately, I fell into the financial services business, established an elder client-base … and listened to *their* counsel. Sure, I pointed them in the right direction regarding "advanced this" and "extra yield" that. But I also gleamed from them the basic message I must pass along to you: "You youngsters live in an overly consumptive society, and you think there's no consequence. Well, you just wait."

Critical Mass? What's that?

Critical mass revolves around a key point in your financial life after which your subsequent financial decisions will yield the foundation of wealth. My elder clients cannot explain when they were at the cusp of critical mass because when they were in it they were also changing your diapers! But, unlike their offspring, when critical mass was upon them, they made certain financial decisions that set the stage for their future wealth, and future financial **independence.**

My own critical mass hit about 1990. My spouse and I were well entrenched in our careers. I was a top producing rep for Snoopy at Met Life. To everyone we knew, we looked like we made the big time. *Looked like it.* But, like the **vast majority** of our 30-40-50-something age group, I was sitting on the cusp of critical mass and missing it.

You see, even though I was in the insurance business, and appeared financially savvy, I was still, like most of my piers, *overspending.* I rationalized our spending with phrases "I'm young" or "I want to enjoy life too," essentially creating financial blockers that prevented me from creating critical mass, or the beginning of financial Stability.

Finally, I saw the light. It starts simply:

Step one:

First, when you see additional dollars in the checking account after the bills and weekly spending are accounted for, you DO NOT look to use it for ANYTHING. It goes off to some other account, out of harms way. Do this for at least a few months.

Step two:

Then, upon your next financial meeting with yourself, you are going to tackle the debt monsters: your credit cards. (You will need scissors for this exercise.)

Cut them up, leaving one low-limit and low-interest card for emergencies only. Then, begin to pay off the highest cards first using some percentage of the saved monies to do it. You will also send in a payment each pay period as well, doubling the minimum payment they require. Now don't talk to me until the debt is gone.

Gone?

Good.

Step three:

Now, auto-save, maxxing out your 401k, and other available auto-millionaire benefits. Additionally, set up an auto-deduct money market account, taking funds from your checking account or paycheck. Pull at least 10% of your net paycheck to this other account. Build on it, until you have…

Achieved critical mass!

Learn more about critical mass, and the foundations of wealth, at www.markstevensfinancial.com.

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