

— THE —  
FREEDOM  
FUNDING  
— KIT —





# THE FREEDOM FUNDING KIT

**"If you stop exchanging your life for nice things, nice comforts and a cushy lifestyle, then you'd be surprised just how much closer to freedom you are than you might think. "**

All right freedom seeker. It's time to come down from the clouds and your castle in the sky, and bring your vision to the ground level.

It's time to move from the 10,000 foot summit to the trailhead and determine exactly how we're going to make your freedom possible.

The purpose of this kit is to help you create a Freedom Map and overcome the number one obstacle to becoming self reliant. Every single day I hear from would-be entrepreneurs that their number one challenge to reclaiming their freedom is fear of going broke and not being able to make ends meet. After all, if you can't get the financial piece down, how are you going to build a foundation that supports your dreams?

It's also not easy to leave the warm, predictable comfort of a steady paycheck for the cold, harsh reality of self-reliant life and you (not your employer) being in charge of putting food on the table.

Luckily, there is a strategic way to go about working for yourself, a way where you don't

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have to risk everything.

You don't have to quit your job today. You don't have to squander your life savings. And you don't have to live like a monk in order to make this work.

But, you will have to do two things:

- 1. Work like your ass is on fire. Implement the advice I'm about to give you in this guide and all the riches and splendor in the world can be yours. But not without good old fashioned sweat and elbow grease.**
- 2. Decide what you'll give up. You can't have it all. You'll have to decide what matters most to you if you want to recover your freedom. You may need to give up your Chipotle habit or your cable tv subscription to make this happen. But these sacrifices are a paltry price to pay for your freedom.**

Also, be willing to adjust your beliefs about money and the true price of your freedom. Henry David Thoreau once famously said:

*"The price of anything is the amount of life you exchange for it."*

If you stop exchanging your life for things, plush comforts and an cushy lifestyle, then you'd be surprised just how much closer to freedom you are than you might think.

In the book Vagabonding, author Rolf Potts illustrates how most people defer their freedom to some distant point in the future once they feel like they can finally afford it. He gives the



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example of a wallstreet banker that believes if he can work hard for a few years and save enough, that he might have enough money to ride a motorcycle across China for a few months. The truth, he points out is that anyone could save enough money working as a janitor to live in China for a few months, and buy the motorcycle when they get there.

If you're willing to shift your expectations, you might be surprised to find that freedom is more accessible than you think. It only required that you reach out and grab it.

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## GETTING REAL ABOUT DOLLAR, DOLLAR BILLS, Y'ALL

As Maslow pointed out in the hierarchy of needs, if you don't have the financial piece of your life (what you relate to meeting your basic needs and surviving in the world) securely in place, you're never going to feel secure enough to devote your energies to the higher levels of person and spiritual development.

The solution to this is a process called Freedom Mapping. It's a method that will help you determine how much your freedom really costs, how to create a job replacement income, and how to create a safety net (or freedom fund) once you're ready to make the transition to working for yourself.

The process involves three major steps:

**Step 1: Elimination or Becoming minimalist.**

**Step 2: Preparation or Building your freedom safety fund.**

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## **Step 3. Self Reliance or Creating your job replacement income.**

Let's jump right into it.

### **DEFINING THE PRICE OF OUR FREEDOM**

We can't possibly know what financial targets we'll need to reach unless we have a clear picture of what lifestyle we ultimately want to have and what freedom will cost us.

We essentially want to determine the baseline we're willing to go to in order to make quitting and reclaiming our freedom possible. This involves taking a hard look and deciding what type of lifestyle we're willing to temporarily maintain to earn our freedom.

The financial expert Dave Ramsey is famous for saying "If you live like no one else, later, you can live like no one else."

This is true for you as well. If you want to become the master of your own time, it may require that you "live like no one else" by living a minimalist, ascetic lifestyle for a period of time so later you can live like no one else, working for yourself on your own terms.

So say for instance that your current income is about \$4,500 a month, and you spend just about the same amount each month. It's rare that you ever have enough money to save or sock away for a rainy day.

While it's true that a good portion of this money may be devoted to necessity and bare min-



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imums that you need to survive, there's probably a good portion of it that's extraneous and unnecessary.

For instance you might be spending \$4 a day on a latte habit each morning that makes you feel just a little bit better about going into another tedious day chained to your cubicle. But that \$4 times an average of 20 times per month adds up to around \$80 per month.

While that may not seem like much, it adds up to \$960 per year. That could buy you a plane ticket to Europe, or two months worth of living expenses in Thailand.

But this isn't just about the little things. You might have a car payment on a brand new car that you don't really need. Depending on where you live you could get by with Zipcar, public transportation, or by buying a slightly used, reliable vehicle. If the average car payment is \$450, plus gas and insurance, you could easily be saving \$600 per month.

That amounts to about \$7,200 per year. If you got your living expenses down to about \$1,500, that's enough to live off of for almost five months.

The same is true for rent. If you're currently paying \$1,200 a month for an apartment, you may be able to rent a room with a roommate paying half as much. Of course you're giving up some privacy and space, but you have to get serious about what you're willing to give up in order to reclaim your freedom.

Remember, if you're willing to live like no one else, later, you can live like no one else.

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And keep in mind, all of this is temporary. After you create an income working for yourself, you can easily go back to the way you used to live in six months to a year. Or you might find that you didn't need all those things to be happy in the first place.

The beautiful part about elimination and getting incredibly lean is that you accomplish two things simultaneously:

- 1. You increase the amount of money you'll be able to allocate to your freedom fund each month.**
- 2. You make replacing your monthly expenses with a self-reliant income much, much easier.**

Now, let's find out just how much your freedom is really worth.

The first step is to determine the baseline income you could live off of, and how lean you can get to "buy" your freedom.

Use the worksheet on the following page to determine which expenses are necessary, which can be reduced and which can be eliminated. Take the time to use this. This quick and simple exercise can reduce your monthly expenses drastically if applied.



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| CURRENT EXPENSES     |              |                      |
|----------------------|--------------|----------------------|
| Expense              |              | Price                |
|                      |              |                      |
|                      |              |                      |
|                      |              |                      |
|                      |              |                      |
|                      |              |                      |
|                      |              |                      |
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|                      |              |                      |
|                      |              |                      |
|                      |              |                      |
|                      |              |                      |
|                      |              |                      |
|                      |              |                      |
| PRIORITY             |              |                      |
| Absolutely necessary | Nice to have | Completely frivolous |
|                      |              |                      |
|                      |              |                      |
|                      |              |                      |
|                      |              |                      |
|                      |              |                      |



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| THINGS THAT CAN BE ELIMINATED |                   |              |
|-------------------------------|-------------------|--------------|
| Expense                       | Amount Eliminated |              |
|                               |                   |              |
|                               |                   |              |
|                               |                   |              |
|                               |                   |              |
|                               |                   |              |
|                               |                   |              |
|                               |                   |              |
|                               |                   |              |
| Total                         |                   |              |
| COSTS THAT CAN BE LOWERED     |                   |              |
| Expense                       | Original Cost     | Reduced Cost |
|                               |                   |              |
|                               |                   |              |
|                               |                   |              |
|                               |                   |              |
|                               |                   |              |
|                               |                   |              |
|                               |                   |              |
|                               |                   |              |
| Total                         |                   |              |
| FREEDOM RECOVERY PRICE        |                   |              |

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## Negotiating Recurring Expenses to Fund Your Freedom

One of the highest leverage strategies for cutting back expenses and making freedom more accessible is through focusing primarily on recurring expenses.

The first, and most obvious way to do this is to eliminate any recurring expenses you absolutely don't need.

The second, is to negotiate down any remaining expenses. This is easier than you might think. It costs businesses a lot of money to acquire new customers, and they'd rather keep your business and make less from you, than lose you to a competitor.

Here are some of the common recurring expenses you can negotiate:

- Cell phone bills.
- Car insurance.
- Internet service.
- Recurring business services like email marketing, and shopping cart providers.



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- Bank fees.
- Anything else you can think of.

Negotiating is simple and doesn't have to be scary. Here are a few strategies that work for me every single time.

Mention moving to a competitor. Say to the customer service person: "Hi, I'm calling about my service with you. You probably know that I've been a customer of yours for [insert amount of time]. I think you guys are great. However, recently I was offer [mention price and offer from another company] and I'm calling today to cancel my service with you." At this point wait for their response, I guarantee they will give you a better offer. If they don't, ask them how you can stay with them and how they can match the competitor's offer. Make sure to research competitor prices beforehand so you're able to speak with confidence and authenticity.

Tell them you're paying too much. Another option is to just flat out tell them you don't want to pay that much. Here's what you can say: "Hi, I'm calling today about my service with you. I know that I've been with you guys for a while now, but the honest truth is, I'm tired of paying so much, so I'm calling today to cancel." Wait for their response. If they don't give you a counter offer (they will), then be ready to cancel and move to someone else.

Tell them they can do better. A big mistake people commonly make in negotiating situations is to put them in the power position. You don't want that, you want

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them to win you over. You're the customer, you're the prize. They want your business. In that spirit, when presented with an offer from a sales rep I utter these four words that send even the most confident salesmen backpeddling: "You can do better." This does two things: firstly, it catches them completely off guard and disrupts their normal scripts; secondly, it challenges their ego and makes them want to prove to you that they can do better. Any time you're not happy with an offer, say those four words and watch them dance to win your business.

## **BUILDING YOUR FREEDOM SAFETY FUND**

The next step is fairly simple and straightforward. The purpose of a Freedom Safety Fund is to give you some cushion to fall back on once you quit your job in the event you experience some inconsistency in your income. We all know that while working for yourself there will be more fluctuation and peaks and valleys in your pay. To safeguard against this in the early stages (eventually we want to get to a stage of predictable income which comes later in the growth cycle of most businesses), we'll use our savings as a buffer to make up for any slack.

The key here isn't to rely on your savings and be lazy, but to utilize it mostly as a psychological comfort when making the transition to self reliance.

First, you'll need to determine how many months of expenses you want saved before you



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feel comfortable quitting. For most people, three to six months is a good baseline. However, if you're trying to quit your job with a family, or without a job replacement income already in place, you'll want to extend that to perhaps nine to twelve months or more.

If you are open to geoarbitrage (using a stronger country's currency against a weaker country's to live more cheaply), you can greatly reduce the amount of money you need to save and the target for your job replacement income. For instance, you can live very comfortably in the Philippines for around \$380 a month. That's roughly \$4,500 you need to live for an entire year, about a tenth of what most people live on in the United States.

Of course, you'll have to determine what you're willing to do in order to make the leap to working for yourself, but it's important to weigh all of your options.

Once you've decided on how much of a savings you'll need by multiplying your monthly expenses times the number of months you're comfortable with having, you'll need to create a plan for achieving that amount.

If you're able to pare your expenses to say \$2,000 a month, and you're comfortable with three months worth of expenses, and your monthly income is \$3,000 a month, that means you'll be able to save the \$6,000 you need in roughly six months.

The best way to go about this is to set up a savings account with an online savings account like ING Direct, then set up automatic recurring savings.

The reason for using an online savings account over the one with your bank are twofold:

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1. You'll get a slightly better interest rate.
2. More importantly, because the money is in a separate place, you'll be less likely to spend it. It's also harder to get because it will take 3-5 business days to transfer to your checking account with your home bank in the event of emergency.

Use the equations below to determine your monthly savings target and set up your online savings plan.

**(Freedom Recovery Price) x (# of Months in Safety Net) = Savings Goal**

**(Amount You're Able to Save Each Month) / (Savings Goal) = Months Until Freedom**

## HOW TO PUT FUNDING YOUR FREEDOM ON AUTOPILOT: HACKING THE ART OF CONSISTENCY

The biggest challenge with any financial freedom or security plan lies in sticking with it. Plans are awesome, but completely useless unless you stick to them.

Most people try to use willpower to make a new change or habit stick, and that's a gigantic mistake. Because we all have limited wells of internal resolve, it's inevitable



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that at some point temptation will pull us back into the orbit of the status quo. We'll come crawling back with our tail between our legs, defeated, to our familiar bad habits.

Because changing your habits with money is hard we recommend automating as much as possible with a few permanent changes:

Eliminate all unnecessary recurring expenses.

Negotiate down any remaining expenses you can like cell phone plans and insurance.

Make compromises to lessen necessary recurring expenses such as rent and transportation.

Automate your savings plan with automatic withdrawals at the first of every month to an off-site bank.

But even with all of this, it can be tempting to get off track. And you still need something to keep you focused on income \*generating\* activities.

Enter the 10 minute money meetings

Each week I recommend that you either sit down alone, or with your partner to review your finances for the past week, and where you are on track for the month. Also, review your income generating activities for the past week and see how on target

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you've been.

I personally like to do these every Friday after the week is still fresh in my mind.

The meeting should look like this:

First minute: Review your goals and where you want to go. Remember why you're doing this and why this is important to you.

Next three minutes: Review expenses for the last week and make sure you're on track. Make notes for improvements as necessary.

Next three minutes: Review income generating activities of the past week and make notes of what worked and didn't work.

Last three minutes: Write down your plan for the coming week and what you'll do to correct course with your spending, and income generation.

What keeps people stuck on a merrygoround of financial feast or famine is not having a clear view of their finances and not staying focused on where they want to go.

If you do these meetings once a week, you'll eradicate that problem and have no choice but to face the truth and take back control of your money

Now, put this in your calendar and your phone as a recurring appointment every Friday for the next twelve months and watch your finances transform.



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## BECOMING SELF RELIANT, OR CREATING YOUR JOB REPLACEMENT INCOME

Of course no matter how much you live like a monk and no matter how much income you stockpile, you will still need a job replacement income — an income that is completely self-reliant and within your control — to secure your freedom.

However, there are several challenges that we must conquer when faced with seemingly insurmountable task:

- 1. How can I remain focused on activities that are proven to generate income without succumbing to distractions?**
- 2. How can I do this with a limited amount of time when I have other responsibilities, such as a job, family, or school?**
- 3. How can I create a predictable source of income that's reliable month after month to replace my current day job income?**

Enter, the High Leverage Income Generator.

This is something that I personally use every single month to help me focus on the exact activities I need to focus on in order to meet (and exceed) my monthly income goals.

First, you define how much money you need to make for the month. If you're just starting out, you might want to take your freedom price and divide it by four. It's better to start off

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with something less daunting and believable in the beginning to not let yourself get overwhelmed. If you're a little further along, you might want to make it the full amount, or even exceed the amount.

So, say for instance you're just starting out and your goal is to reach \$2,000 a month. For the very first month you would make your goal \$500.

Now, you'll take that number and determine a project that you could embark on that would guarantee generating at least \$500. If you're a coach or personal trainer that might be booking at least two clients for the month. If you sell clothing it might mean landing a consignment deal with a local, highly popular boutique. Determine the project that you feel will absolutely guarantee reaching or exceeding your monthly target, then commit to it.

The next step is to determine what you absolutely need to do this week in order to reach the monthly goal. Then to determine what you need to do today to reach the week's goal, and what you need to do right now to meet the goal today.

What this does is two things:

- 1. Forces you to only focus on activities that will generate income and move you closer to your goal. You're not going to write down "find the perfect WordPress plugin" for your monthly goal. So the first advantage of this strategy is that it gives you focus.**
- 2. Forces you to use your time efficiently. If you only have one hour per day to**



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## High Leverage Income Generator (Example)

|  |  |
|--|--|
| <b>Month</b><br><br>I will make \$500 this month by acquiring 2 new clients for my health coaching business.   | <b>Week</b><br><br>I will build personal relationships with 7 personal trainers who can refer clients to me for health coaching. |
| <b>Day</b><br><br>I will create a list of personal trainers in the city I live in, write introduction letters to each and create a value proposition that benefits both of us. | <b>Now</b><br><br>Research personal trainers online and create a list in Google Docs.  |

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## High Leverage Income Generator (Your Template)

|       |      |
|-------|------|
| Month | Week |
| Day   | Now  |



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**work on your business, you absolutely must make that hour count. If you don't, you risk the possibility that you'll never escape from your job.**

Do not underestimate the power of this process just because it is simple. You don't need a complicated business plan or a fancy website. You need clear, focused, dangerous action.

Implement this strategy with tunnel vision and nothing can stop you from reaching your goal.

Use the worksheet below this month and every single month until you reach your target freedom income. You'll discover just how powerful it is.

## **A FINAL WORD ON FUNDING YOUR FREEDOM**

Now that you've gone through this guide, you can no longer make money excuse to reclaiming your freedom. You have all the tools that you need.

But PLEASE, don't just passively read this guide.

Go forth and put your foundation under your castle in the sky. Make your freedom real.

Yours in liberation,

Dominika, Cedric & Paid To Exist Team