

*This common-sense approach to personal financial management presents twenty-five principles about life and money. Understanding and applying these principles can dramatically enhance your effectiveness in managing your financial life.*

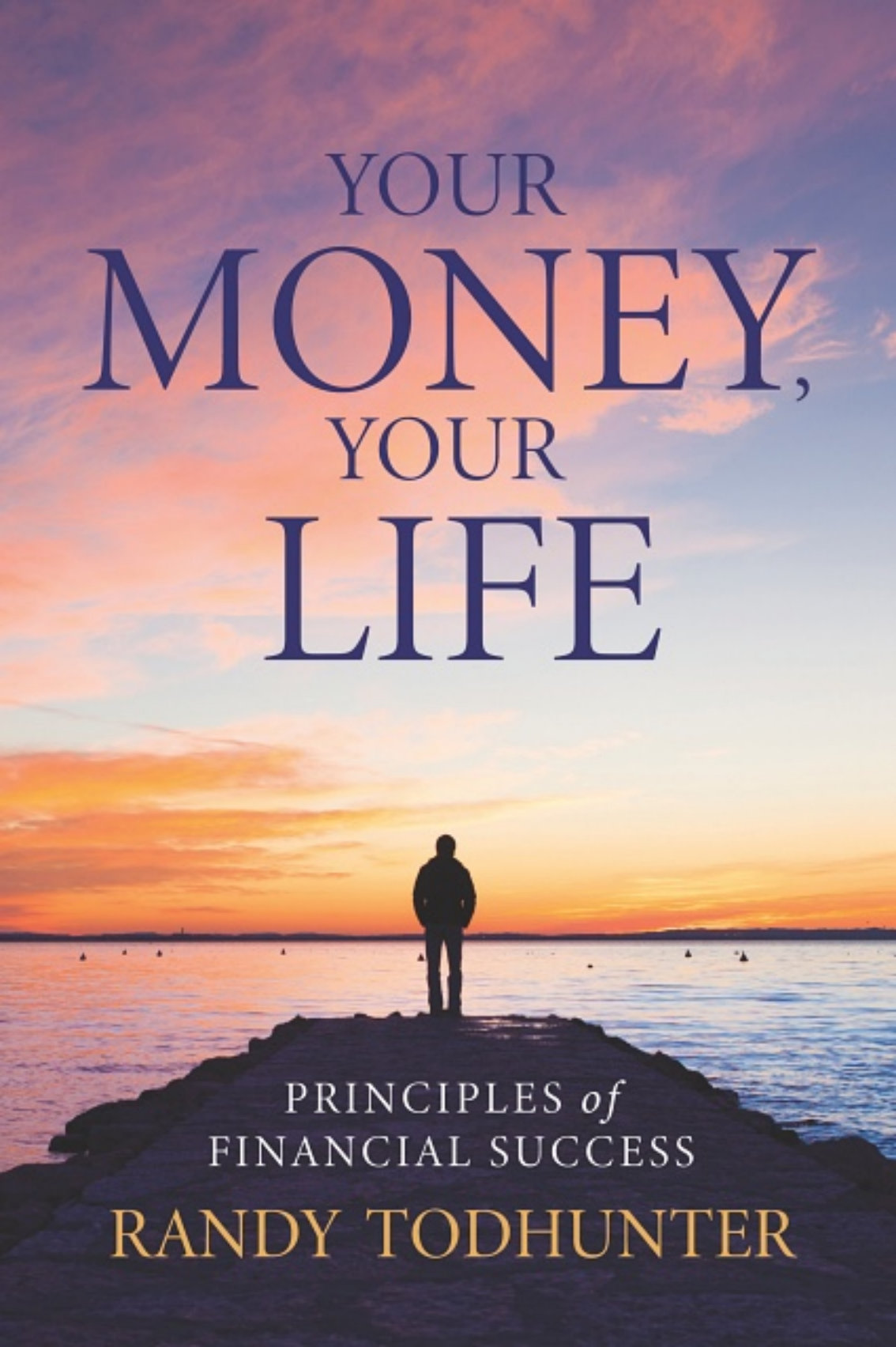
## **Your Money, Your Life: Principles of Financial Success**

By Randy Todhunter

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A person stands in silhouette on a rocky pier extending into a body of water. The sky is a vibrant mix of orange, yellow, and blue, suggesting a sunset or sunrise. The water is calm with a few small buoys visible in the distance.

YOUR  
MONEY,  
YOUR  
LIFE

PRINCIPLES *of*  
FINANCIAL SUCCESS

RANDY TODHUNTER

# Your Money, Your Life

*Principles of  
Financial Success*

Randy Todhunter



*Your Money, Your Life: Principles of Financial Success*

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*This book is dedicated to my mom and dad,  
Bill and Katie Todhunter,  
who provided the foundation for understanding  
financial success principles.*

# Praise for *Your Money, Your Life*

“Randy Todhunter has packed a lot of great stuff into this concise, easy-to-read book. I am impressed by the whole-life approach as he blends overall points of personal success with a philosophy for financial health. Teaching as he writes, he gives those who are new to personal finance an introduction to important concepts and vocabulary, as well as a practical framework to begin their journey.”

— Zena Featherston Marshall • Executive Director, Community & Business Partnerships, Fort Smith Public Schools

“If you are someone who wishes their financial decisions were more successful, this book is for you. Not only does Randy Todhunter describe the principles necessary to improve your financial situation, he also describes what it takes to live a successful life.”

— Wesley (Wes) B. Kemp • President & CEO – ABF Freight System Inc (Retired), Executive in Residence (Currently Serving), Walton College of Business, University of Arkansas

“Someone said, ‘Put your money where your mouth is.’ I’ll spare you the wordy review and just tell you that I’m buying 25 copies of *Your Money, Your Life* to share with my adult children, nieces and nephews, young friends, and students I have the privilege of mentoring at my church and in our local schools.”

— Tim Bailey • President, Candy Craze

“I enjoyed this book very much! Mr. Todhunter surely met his goal with this easy to read, down-to-earth, and informative book. His writing style is exactly like talking to a favorite uncle.”

— Melinda Briscoe • Retired high school business teacher

“As someone who works with teenage students every day, simple straightforward truths about skills to succeed in life are needed more than ever. *Your Money, Your Life* is packed with understandable and bite-sized advice that will encourage and equip rather than overwhelm or criticize. Randy has put together a resource that can help create a firm foundation for your financial journey and be kept as an easily searchable source to pull off the shelf when needing a tip in any one of the many principles it covers.”

— Braxton Schulte • Student pastor of Central Christian Church

“This book’s title—*Your Money, Your Life*—says subtly what its pages cover in illuminating detail: money and life are intricately intertwined. The principles offered are as much about being your best self as they are about attaining financial success. The author is like a wise and friendly coach, warmly and patiently offering sound advice and gentle guidance for all stages of one’s financial life, from preparing to start a career to retirement. Full of encouragement and simple terminology, it is an easy book to read, even for a financial novice. I recommend this book if you are looking for greater understanding and control of your money ... and your life.”

— Chris Burton • Retired analytics executive for a large supply chain provider

“In this book, author Randy Todhunter not only hits on all cylinders for financial success, but his principles touch on many aspects for successful living! If you are struggling financially and need tools for finding your path to financial freedom, or if you just need encouragement to live your life with purpose, integrity, and a vision, this is the book for you! Well-written, in verbiage that meets even the most novice of readers looking for financial resources. A must read!”

— Jennifer Steele • EdS, Assistant Director of Athletics and Activities, Fort Smith Public Schools, Fort Smith, Arkansas

“Phenomenal! This book has the potential to change the course of many lives. There are so many good pointers that I will be revisiting it for many years to come!”

— Abigail Bramlett • College student

“Randy has written the perfect primer and reminder of the elements of sustainable success. He demonstrates that success is a function of planning, character, and skill, offering ways to grow in each. I love the tone of the book, as you can hear Randy cheering the reader along on every page.”

— Kirby Clark • Vice President, Strategic Financial Planning & Analysis, ABF Freight

“My experience working with young adults has made it quite evident to me that obtaining financial success is neither something that is taught in schools nor something that can be done entirely with common sense. We need people like Randy, who drew on his vast experience of how to live a good financial life when writing in *Your Money, Your Life*. These helpful twenty-five fundamental principles about life and money are essential for young adults. That isn’t frightening in this book; it’s achievable. A young person who reads this book and applies its principles will be setting themselves up for success in life.”

— Blake Pesetsky • Campus Pastor, Central Christian Church

“I didn’t know a book could strike you with the sheer force of an 18-wheeler. *Your Money, Your Life* has crystal clear messages that rekindled a path for me to financial success. My spending was blinded by current trends and savvy marketing, but this book has allowed me to better understand my daily and life expenses. Young readers, it’s time to be reminded that our finances are controlled by our own actions.”

— Edward Merida • Social Media Coordinator/Corporate Recruiter, TEC Staffing Services



“Randy’s new book is packed with seasoned wisdom. Every chapter challenges us to learn and grow to be better stewards of what God has blessed us with.”

— Dr. Scott Clark • Chiropractor

“This book is encouraging, thought-provoking, and uplifting. A book that all high school students, especially juniors and seniors, as well as college students, would benefit from reading. I definitely enjoyed reading the book and would recommend it to others. It was exceptionally well-written in a way that made it an easy read, and explained finances in an easy-to-understand fashion.

“Randy also encourages the reader to take responsibility and change the course of their destiny, rather than placing blame on others for their failures. The reader is encouraged to believe in themselves regardless of past failures.”

— Jan Marshall • Retired high school business teacher

“I found a lot of the principles very insightful and even wish I had heard some of the topics in your book while I was still in high school. I felt like your book was very well-written, and the conversational tone with the reader made it very easy for me to stay engaged. It was almost like you were actually talking to me.

“This book highlights several financial skills and concepts that many young adults are not exposed to during high school. Several chapters of the book not only highlight important financial skills but also important life skills.”

— Sarah Emmons • Student at the University of Tulsa

“I found *Your Money, Your Life* to be a timely reminder of the principles of financial management without complex technical how-tos that may turn off a reader who thinks finances involves too much math. Todhunter’s book passes down wisdom in identifying the guiding principles to everything

financial in easily grasped concepts. The style is very readable and chapters can be read independently based on your needs. This is not a get-rich-quick book like so many but an investment (or reminder for some) in solid financial and life principles.”

— Jeff Adams • Assistant Director, Career Services,  
for a public university

“If you are looking for a practical but detailed book on how to improve your financial situation, then *Your Money, Your Life* is for you. In his book Randy Todhunter shares principles on how you can become financially successful. He specifically mentions that if a person will treat the principles he shares with thoughtfulness and consideration, there will be a reward financially. The principles Randy shares will do that, but let me share that this book will require some thought and effort on your part. This is a very well-written and useful book. If your financial situation is broken or in need of repair, following the principles and guidance he gives will, without question, improve your finances.”

— Bill Fink • Pastor and board member of Community Rescue  
Mission

“I believe young adults and above will benefit from this book. Young adults need to learn good habits/principles to live by and why it’s important to be financially sound. But, as a 50-year-old, I also felt refreshed reading it, because Randy helped remind me of some principles I should live by.

“I feel like it was a great look into the psychology and mindset of a human as far as financial habits go. While reading, I felt more like I was receiving advice from a long-time friend/mentor.

“Randy’s book is easy to read and follow. The chapters were short and sweet and held my attention. The writing style in the book has more of a communication with a friend feel to it.”

— Jennifer Craig • High school business teacher

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# Introduction

*“Freethinkers are those who are willing to use their minds without prejudice and without fearing to understand things that clash with their own customs, privileges, or beliefs. This state of mind is not common, but it is essential for right thinking.”*

—Leo Tolstoy

**T**his book is written for anyone who wishes they could do a better job of managing their money. You may be a high school or college student looking for some general financial advice and direction. Perhaps you've worked hard and tried to get out of debt and save, but it just hasn't seemed to work out. Maybe you want to invest a little, but you struggle to understand investing, finding it difficult to wrap your brain around investing concepts. Perhaps you want to change careers in order to increase your income, but you aren't sure if a change would help. You may also want to earn more money in order to be better prepared for retirement. In all of these cases, a deeper understanding of financial principles, and how to apply them in your life, can be most helpful.

Personal financial management is a broad subject about which much has been written. Sometimes, though, too much information can be overwhelming and perhaps confusing. I have attempted in this book to distill financial management down to some key principles that are of particular importance. As is often the case, mastery over a few crucial subjects can produce results as good as, or perhaps even better than, a smaller amount of knowledge about a broad range of topics. What I aim to do in this book is to help you, the reader, better understand the basic overall principles involved in personal money management.

My goal is to give you some tools so you can begin afresh managing your financial life in a way that slowly gets you out of debt, teaches you to shop and buy wisely, helps you save for

retirement, and empowers you with the self-confidence that comes from being in control of your finances, rather than your finances being in control of you.

My aim is also to present these principles in easy-to-understand terms, since most of the concepts are simple in nature. The goal is not to teach you advanced techniques of finance and investing, but rather how to better manage your day-to-day life with regard to finances. It also includes a look at several aspects of life that may not seem to be directly related to financial management. Bear with me. I hope that, by the end of the book, you will agree that a key part of successful personal financial management is successful life management.

The format is informal in nature, and I invite you to read it as though you and I were able to sit down and chat about each chapter, perhaps at lunch each day. In ten to fifteen minutes, we could discuss and reflect on one chapter at a time.

Some chapters may offer you nothing new. Perhaps you have already mastered a specific topic and need only skim over the main points. Other chapters may speak directly to you and to your struggle for success. Take what is useful and helpful and what touches upon your need—or perhaps your heart.

You may feel that you already know as much as you need to know about personal finances, but I suspect, since you are reading the introduction, that you're seeking some new insights. Given how much this topic has been covered, my challenge is for you to be *open* as you read this book. *Open* to learning something new. *Open* to looking truthfully at the person you have become or are becoming. *Open* to making a change in your behavior. If you're not open to change and *willing* to change, then reading this book is



pointless. It may give you some information, but if you don't *apply* that information to your life, then why waste your time reading it? You would be better served by doing something else that you are really interested in, and maybe even passionate about.

But . . . if you are ready to be open-minded about learning how to improve your finances, and how to better manage them and yourself, then I warmly invite you to join me in this exploration of financial success principles.

*Section One*

# Financial Success Principles

**L**et's begin in this section by exploring the basic premise of this book: there are key *principles* involved in financial success. We will also consider the meaning of success—particularly success in the realm of finances. Finally, we'll assess if this book can be useful to you, and whether you can look forward to the prospect of success.

Let's get started.

*Chapter 1*

# Is There a Need?

*“Too many people spend money they haven’t earned, to buy things they don’t want, to impress people that they don’t like.”*

—Will Rogers

**I** assume that you're asking yourself if this book can really help you. One way to answer that question is to invite you to assess how you're currently doing in your personal financial life. If you're pleased with the amount of your debt, your savings, your buying skills, and your investment plan for retirement, then I would like to congratulate you. You're doing well! If that's the case, then you probably don't need to read this book. You are already succeeding.

It might be useful, though, to consider with me for a minute the current state of household finances in the USA. Let's then examine whether that reveals a trend of overall success. Next, I invite you to compare your situation with what we find. It may be that your definition of success could use some tweaking. Perhaps this book might be helpful to you after all.

## **Credit Card Debt**

Let's begin with debt—specifically, credit card debt. In the USA in 2021, the average household had \$6,270 in credit card debt. Overall, Americans owed \$807 billion across almost 506 million card accounts. Also, 45.4 percent of families carry some sort of credit card debt.<sup>1</sup>

Credit card debt has almost become synonymous with current-day life in America. A young high school or college student feels like they have finally “arrived” when they have their own credit card. Merchants promote their own brand of credit card, and it's become the de facto standard way to pay for most merchandise, whether purchased online or in a “brick and mortar” store. The use of such a

card does offer convenience, without a doubt. In and of itself, having a credit card is not a problem; it can be a benefit. The issue comes when you don't pay off your balance in full each month. The interest rates that card companies charge are significantly higher than what you might pay for other consumer loans. As a result, many people struggle to get out from under the burden of monthly principal payments and associated steep interest payments. Consequently, the beauty of using a credit card has been soured by the monthly sucking sound of their hard-earned money draining away to the credit card companies.

What about you? Do you have credit card debt? If so, do you pay off the balance in full each month? If you do, you're using your credit card most effectively. If you do not, what interest rates are you paying on your various cards? I would wager that the average is well over 12 percent. If you've been late on any payments or missed payments, then you are now paying the dreaded "penalty rate," which can go as high as 29 percent or higher, depending on the card company. I think you would agree this is not the best use of your money.

### **Student Loan Debt**

According to Nitro College, a company that evaluates how students and families can best pay for college (or pay off college debt), "Americans now owe more than \$1.75 trillion in student loan debt, based on the most current figures available to Nitro. That money is not only owed by young people fresh out of college, but also by borrowers who have been out of school for a decade or more. The standard repayment timetable for federal loans is 10 years, but research suggests it actually takes four-year degree holders an average of 19.7 years to pay off their loans."<sup>2</sup>

Nitro also reported the following:

- One in four Americans have student loan debt—an estimated 44.7 million people
- Average student loan debt amount = \$37,172
- Average student loan payment = \$393/month<sup>3</sup>

Like credit card debt, student loan debt can be used judiciously to pay for attending college, earning a degree, and enabling a higher income over the span of one's career. Student loan debt often balloons far beyond what was envisioned when a person began their college experience though. Many factors should be considered when weighing the value of a college degree. Perhaps one of the most overlooked factors is the expected income of the selected career field. Many liberal arts degrees, for example, may help a person become better educated and well-rounded as a citizen, but they don't necessarily provide a pathway to a good financial future. With a lower-paying job, it can take decades to pay off an expensive student loan.

Do you have student loan debt? How much? How long will it take you to pay it off? If you have succeeded in keeping that type of debt at a modest level, then you're probably using it wisely to enable you to get a better-paying job. If you now find yourself saddled with a higher loan balance than you expected, you may be rethinking the wisdom of taking on so much debt and welcome any suggestions on how to best proceed with paying it down.

## **Savings**

How are we doing as a nation regarding savings?

“Relatively small, unexpected expenses, such as a car repair or replacing a broken appliance, can be a hardship for many families

without adequate savings. When faced with a hypothetical expense of \$400, 61 percent of adults in 2018 say they would cover it, using cash, savings, or a credit card paid off at the next statement . . . Among the remaining 4 in 10 adults who would have more difficulty covering such an expense, the most common approaches include carrying a balance on credit cards and borrowing from friends or family . . . Twelve percent of adults would be unable to pay the expense by any means.”<sup>4</sup>

What does your savings account balance look like? Are you living paycheck to paycheck, or are you confident that you could handle any short-term financial emergency? Do you have enough saved that you could handle a \$400 emergency? How about a \$1000 emergency? Do you regularly add to your savings account so that it is steadily growing?

## **Other Areas**

What about your shopping skills? Do you feel that you make wise purchases, for the most part, or do your emotions get the best of you?

What about retirement? Have you started saving for retirement? Are you steadily adding to your retirement savings? Have you determined how much you need to save for retirement, and are you on track to accomplish that goal?

Are you happy with the money that you have invested? Do you feel your investments are successfully working for you? Where do you have your money invested, and what return are you getting?

Are you able to help others financially whenever you wish, or are you constrained by your financial situation and unable to do so?



Maybe you are one of those who has succeeded in getting a position that pays well. You might even have a six-figure income. Let's look at the surprising results of a 2021 survey among this group of individuals.

“High-earning millennials feel broke. Sixty percent of millennials raking in over \$100,000 a year said they're living paycheck to paycheck, found a new survey by PYMNTS and LendingClub, which analyzed economic data and census-balanced surveys of over 28,000 Americans.”<sup>5</sup>

If you're one of those high-earning individuals living paycheck to paycheck despite your income, does that feel like success to you? If not, then perhaps you, too, would be interested in some suggestions regarding financial principles.

Finally, are you both pleased and satisfied with your current level of financial success? What is your stress level, and how much of your stress is due to your finances? Life does not consist solely of your financial situation, and there are obviously many other aspects of life that bring enjoyment and satisfaction. But almost every area of your life can be impacted by your financial status. If you're experiencing stress due to your finances, then that stress will inevitably bleed over into every other area of your life, like dye seeping into a white towel.



If you now believe you could benefit from some new information and insights regarding personal financial success, then I encourage you to read on.

# About the Author

**Randy Todhunter** has had the opportunity to explore a variety of disciplines. He studied English literature at Washington University in St. Louis and ministry at Manhattan Christian College in Manhattan, Kansas. His final undergraduate work was at Kansas State University, where he graduated with a BA in Computer Science and was inducted into the Phi Beta Kappa Academic Honor Society. Randy later earned an MBA from the University of Arkansas.

He served as an electrician in the US Coast Guard for four years and learned a lot about himself during that enlistment.

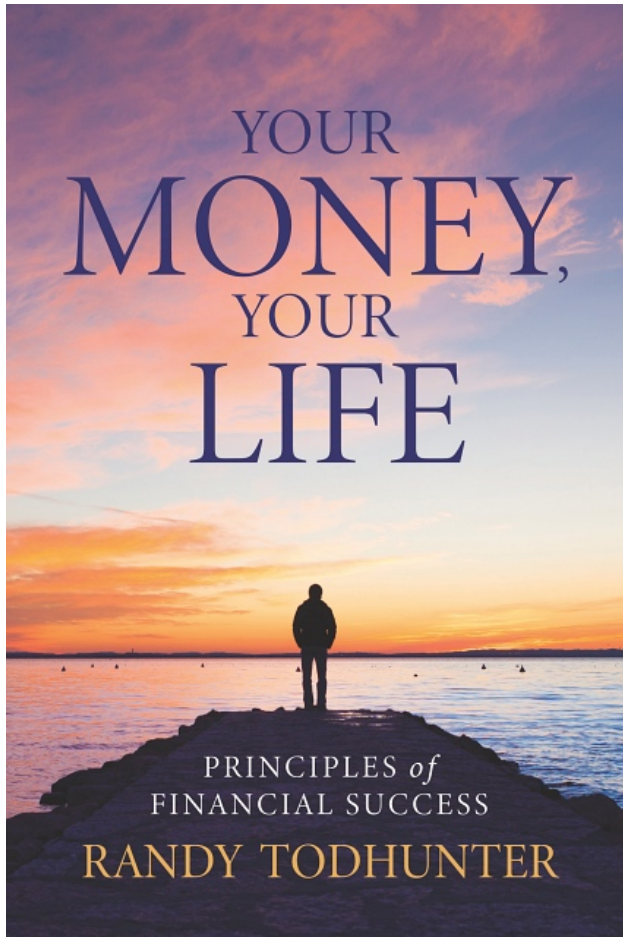
For most of his career, he worked in IT management for a Fortune 1000 logistics and transportation company in Arkansas. In addition to facilitating software development, he also served a stint there as the manager of recruiting and training. He was selected by his employer to be the Partners in Education corporate representative to two local high schools and an elementary school. He enjoyed setting up a pen pal program and later a mentoring program as part of that responsibility, which gave volunteer employees an opportunity to interact with and help individual students. He was honored to receive the citywide Partner of the Year award shortly before retiring.

Randy enjoys managing his personal investment portfolio and helping others learn how to invest, particularly in the stock market.

He has had the opportunity to co-lead classes of Dave Ramsey's Financial Peace University at his local church and has taught business classes as an adjunct instructor in the Fort Smith offsite program of John Brown University. He has also served as a volunteer AARP Tax-Aide Counselor, assisting others with preparing their annual taxes. He was inspired, in part, to write this book after he observed taxpayers who were earnestly seeking additional financial coaching.

He enjoys nature and hiking in the wooded hills of the Ozark and Ouachita Mountains and snow skiing in Colorado. For many years he was an avid motorcyclist but has retired from that and now owns a Corvette for when he wants a weekend outing. He makes his home in Arkansas with his wife and their pet parrot, Cheeky.

Perhaps most importantly, Randy enjoys writing and hopes to help others through his words.



*This common-sense approach to personal financial management presents twenty-five principles about life and money. Understanding and applying these principles can dramatically enhance your effectiveness in managing your financial life.*

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