

Big Income, Small Savings

One of the biggest misconceptions people have is that someone who earns a lot of money is sure to have a lot of money. But having money is **not just a matter of how much you earn**. It's also about **how much you live on**. Who do you think is better off financially: a person who makes \$30,000 and spends \$25,000 or someone who makes \$250,000 and spends \$300,000?

The Root of the Problem

A recent study found that nearly one in five workers who earn \$100,000 say they often or always live paycheck to paycheck. That's 20% of the top earners in the country! These are people who should have a high net worth, but they can't control their spending and eventually end up broke.

Some people blame high housing costs, college education, high car payments, or a million other things. Those may be the symptoms, but they are not the problems. *The problem is the person*. Spending all the money you make and using debt to make up the difference will keep you broke your entire life, whether you make \$40,000 a year or \$400,000. Getting out of debt and having no payments is *so crucial* to **serious wealth-building**.

No One is Exempt

Even at a high income level, you need an emergency fund. Sadly, another survey found that 18% of people couldn't continue their lifestyle for even 1 month if they lost their income. They have no money saved up! These are **disasters waiting for a place to happen**. The average family in America makes about \$40,000 a year. If a family making a six-figure salary were to live at that income level for just a couple of years and make some sacrifices, they could be completely debt free with a huge income. Who wouldn't want that?

The good news is Dave's Baby Steps **work at any income level**. If you follow them in order, pretty soon you'll be bringing money home in a wheelbarrow. The plan works every time!