

NEW YORK TIMES BESTSELLER

**YOUR
MONEY
OR YOUR
LIFE**

**9 STEPS TO TRANSFORMING YOUR
RELATIONSHIP WITH MONEY AND
ACHIEVING FINANCIAL INDEPENDENCE**

FULLY REVISED AND UPDATED FOR 2018

VICKI ROBIN

and Joe Dominguez

FOREWORD BY MR. MONEY MUSTACHE



Praise for *Your Money or Your Life*

“I’ve read this classic book three times—first when I started my financial journey, again after I achieved financial independence, and once more after I ‘retired’ at the age of thirtyfour. Each time, it has revealed new gems that have helped me live a happier and more fulfilling life. If you want to invest in your financial future and (more importantly) your long-term happiness, I can’t think of a better investment than *Your Money or Your Life*.” —Brandon Ganch, *Mad Fientist*

“Now as never before, it’s time to stop trying to ‘get ahead’ in a race that is both fixed and futile, and figure out how to organize your life so that it can be your life. Your one precious life lived for yourself, for your community, and for your planet. *Your Money or Your Life* shows you how to make the shift.” —Bill McKibben

“Vicki Robin’s *Your Money or Your Life* offers readers the gift of meaningful, applicable advice so that they can achieve true financial independence on their terms. It is deservedly one of the most acclaimed and referenced financial advice books of our time and will undoubtedly continue that legacy for generations.”

—Farnoosh Torabi, bestselling financial author and host of the award-winning podcast *So Money*

“Can you save your money and life? Yes, and Joe and Vicki’s approach offers even more. Those who use their money carefully generate incredible benefits beyond the obvious gains for themselves. First, their use of natural resources drops, since they consume far more thoughtfully: bonus point for the world’s ecosystems. Second, they may be able to work less: bonus point for other people’s employment opportunities. Third, they spend their money on necessary, worthwhile products: bonus point for the economy of goods, rather than that of bads. Fourth, they are freeing their time and are now able to spend time volunteering with nonprofits, playing with their own and others’ children, running for office, or just helping out where people are in need: bonus point for our communities. Fifth, they now have time to bring their dreams alive: bonus point for creativity, vibrancy, and joy. What are you waiting for?”

—Mathis Wackernagel, CEO, Global Footprint Network

“Bless Penguin and Vicki Robin for re-releasing this timeless, exquisite, and classic work on our relationship with money. With clarity, incisiveness, and brilliance, *Your Money or Your Life* gives every reader, no matter what their circumstances, the keys to living a fulfilling and financially free life. This is one of the best and most truthful books you will ever read about money.”

—Lynne Twist, author of *The Soul of Money*

“Most money books are full of the same trite tactics, tricks, and tips. This book blows past all of that to do what’s most important: Radically transform how you think about, relate to, and ultimately use your money. If you read only one book about money, this book is it.

You’ll never see your money (or your life) in the same way again.”

—Jesse Meacham, founder of You Need a Budget

“*Your Money or Your Life* is the rare book that is both map and compass. As we enter hard economic times, this visionary book provides eminently pragmatic and effective maps to reduce the costs of your life and increase your savings net. Of equal importance, it’s a compass that can guide you to your true values—nonmonetary values such as community, friendships, and deeper relationships to your place and nature.” —Kenny

Ausubel, CEO and cofounder, Bioneers

“*Your Money or Your Life* is nothing less than a clear and profoundly practical path to financial freedom. If you want to bring sanity, stability, and security into your money life, get this book and follow its advice. You will be very glad that you did.”

—John Robbins, bestselling author, president of the Food Revolution Network

“*Your Money or Your Life* is a classic that has stood the test of time, and this new version adds much more to its already powerful value. In an era when conspicuous displays of wealth are promoted, even at the highest levels of government, we all need constant reminders that simplicity, frugality, community, and freedom from being possessed by our stuff are the best things in life.”

—John de Graaf, coauthor of *Affluenza* and *What's the Economy For, Anyway?*

PENGUIN BOOKS

Your Money or Your Life

VICKI ROBIN, author of *Blessing the Hands That Feed Us* and coauthor of the best-selling *Your Money or Your Life*, is a prolific and well-known social innovator, writer, and speaker. In addition, she has been at the forefront of the sustainable living movement, launching projects such as Sustainable Seattle, the 10-Day Local Food Challenge, Transition Whidbey, and the Center for a New American Dream. Robin has been featured in hundreds of media stories in various outlets, including the *New York Times*, NPR, *The Oprah Winfrey Show*, *People*, and many more. She lives on Whidbey Island, in Washington.

JOE DOMINGUEZ (1938–1997) was a successful financial analyst on Wall Street before retiring at the age of thirty-one by devising and following the step-by-step program presented here in *Your Money or Your Life*. His teaching also lives on through his audio course, *Transforming Your Relationship with Money and Achieving Financial Independence* (Sounds True). From 1969 on, he was a full-time volunteer and donated all proceeds from his teaching to transformational projects.

PETER ADENEY, better known as Mr. Money Mustache, is an influential financial blogger who retired financially independent shortly after turning thirty, and now writes about how to live a frugal life of leisure.

Vicki Robin
and **Joe Dominguez**

YOUR
MONEY
OR YOUR LIFE

*9 Steps to Transforming Your
Relationship with Money and
Achieving Financial
Independence*

Foreword by
MR. MONEY MUSTACHE



PENGUIN BOOKS

PENGUIN BOOKS
An imprint of Penguin Random House LLC
375 Hudson Street
New York, New York 10014 penguin.com

First published in the United States of America by Viking Penguin, a division of Penguin Books USA Inc. 1992

Published in Penguin Books 1993

Revised edition published 2008

This second revised edition published 2018

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Portions of this work first appeared in Joe Dominguez's audiotape course and workbook titled *Transforming Your Relationship with Money and Achieving Financial Independence*.

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Ebook ISBN 9781101539705

LIBRARY OF CONGRESS CATALOGING-IN-PUBLICATION DATA

Names: Dominguez, Joseph R., author. | Robin, Vicki, author.

Title: Your money or your life : 9 steps to transforming your relationship with money and achieving financial independence / Vicki Robin and Joe Dominguez ; foreword by Mr. Money Mustache.

Description: Second revised edition. | New York : Penguin Books, 2018. | Includes bibliographical references.

Identifiers: LCCN 2017060645 (print) | LCCN 2018002920 (ebook) | ISBN 9781101539705 (e-book) | ISBN 9780143115762 (pbk.) Subjects: LCSH: Finance, Personal.

Classification: LCC HG179 (ebook) | LCC HG179 .D624 2018 (print) | DDC 332.024/01—dc23

LC record available at <https://lcn.loc.gov/2017060645>

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Cover design: Elizabeth Yaffe

To Joe Dominguez (1938–1997), of course!

*Treasured mentor and companion on
the great adventure.*

And to all he loved.

Why Read This Book?

Ask yourself these questions:

- Do you have enough money?
- Are you spending enough time with family and friends?
- Do you come home from your job full of life?
- Do you have time to participate in things you believe are worthwhile?
- If you were laid off from your job, would you see it as an opportunity?
- Are you satisfied with the contribution you have made to the world?
- Are you at peace with your money?
- Does your job reflect your values?
- Do you have enough savings to see you through six months of normal living expenses?
- Is your life whole? Do all the pieces—your job, your expenditures, your relationships, your values—fit together?

If you answered no to even one of these questions, this book is for you.

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Foreword

There is really only one reason to read any book about money: to give yourself the gift of a better life. Money is not really the thing you're after—after all, would you lock yourself in a dark, silent box forever in exchange for becoming a billionaire?

It seems obvious when put into such stark terms, but the truth about money is that money alone won't solve most of your problems. In fact, a healthy relationship with money is most often just a by-product of living a happy, healthy life.

Instead of a dark box billionaire, you are probably hoping to become a lighthearted, productive, free person who just happens to never have to worry about money again.

This gigantic distinction is where most of the books, magazines, websites, TV shows, and podcasts ever created on the subject of money seem to fail. It's also the reason most people in the United States and other rich countries, despite our record income levels, remain just about broke, with many in record levels of debt. We're chasing more money and more of the things it can buy, without questioning the big picture of exactly what we are buying and why.

And this is the reason why this book, *Your Money or Your Life*, remains a standout classic after more than twenty-five years in print, with its message still echoing strongly enough through our society to keep new generations thinking about the ideas and to bring Vicki Robin out of her peaceful island retirement to write this updated version. Robin's unique approach is what gives this book its unusual unprecedented staying power, and this update takes the same approach and applies it to the significantly changed world in which we now live.

The standard money advice is too meek, claiming that we all have different personal values and we need to follow our hearts. If I love hundred-dollar dinners out and you love expensive cars, that's fine! You can spend on those things you love, as long as you budget carefully to afford it and work hard to make enough money for it.

The reality is that most of this is nonsense: We're all humans, much more similar than we are different. Through centuries of philosophy and recent decades of more formal research, we've learned that there are a few genuine, universal human happiness buttons that can be pressed—the same basic factors such as friendship, health, community, overcoming challenges with your own ingenuity, and feeling in control of your life. These work for everyone.

At the same time, most of us are tempted by the ideas of convenience, status, and luxury, and buying ourselves treats to satisfy these temptations. And we're really good at justifying some of these trinkets as our true passions. The only difference is in which things—and how many of them—we choose to justify. With just a few of the more expensive “true passions,” you can lock up almost any lifetime's income, sometimes eliminating your chance of claiming the bigger and more universal happiness prizes previously mentioned.

Even the most well-known finance and business gurus repeat some version of this “spending money equals happiness” myth. Follow their advice and you may just end up with a really wellpolished conveyor belt of personal desire. Your skilled hands will be throwing goals onto one end of it and pulling satisfied bucket list items off of the other, but you can still end up standing in the same place you started. Endless desire is one of the pitfalls of human nature, and one of the first things you need to cure if you want to get ahead more quickly.

It is for this reason that *Your Money or Your Life* talks so much about so much more than money. It is a personal development guide to help you figure out what you really want out of your life, while also training away the money-wasting habits that you have probably developed that are getting in the way of it. And “training” really is a good way to think about it: You get better about this stuff slowly, by repeating small steps every day, which build naturally into bigger accomplishments. It all seems gradual until you look back and barely even recognize your past self: “How was I wasting that much of my time and energy every day without even realizing it?” The result of all this training is not just an improved financial picture—it's an improved you. This is the reason the book remains so popular.

There's a bigger picture here too, of course: the entire world and all the people and living things who share it. Far too often we are taught that our spending decisions are simply a matter of our personal choices. If there's enough money in our wallets and room for the resulting debris in our garbage or recycling bins, we are clear for purchase.

The reality is that almost everything we buy comes with a bit of unseen destruction somewhere else, and that damage has been adding up in recent decades. Facing the conflict between our lifestyles and the now-constant news headlines about their consequences is a source of stress. The great news, as you are about to learn in this book, is that streamlining your lifestyle for happiness will also dramatically cut down the amount of destruction that is done in your name.

Make no mistake—it's almost impossible to read this book thoroughly without also drastically improving your financial situation for the rest of your life. The money part is definitely here. But the unique power of the method comes from working on the root of the problem—your personal beliefs and habits—rather than just the symptom of your monthly bank and credit card statements.

If you've never read this book and taken this journey before, brace yourself, take your time, and take it seriously. Your entire life is about to be transformed.

Mr. Money Mustache

Introduction to the New Edition

Welcome! From millennials to Gen Xers to boomers, this makeover of *Your Money or Your Life* is for you. Since its initial publication, this book has become an enduring classic, helping hundreds of thousands of people transform their relationship with money. The tools are evergreen but the world has changed, and I've brought together the best team possible to make it relevant for today and many years to come. And for you.

Of course you wonder, can it help you? Now? In your situation?

Can it help you get out of consumer debt, revive delayed dreams, get a place of your own, leave a job that doesn't suit you anymore, have enough money to afford some extras, increase your income, make the savings you have last longer, and even liberate you from working for money entirely?

It can. Or better said, you can—if you use these tools.

Because hundreds of thousands of people have indeed used these tools, I can make these promises:

- You'll spend less money and enjoy life more.
- You'll save more money than you ever thought possible. You'll
- flatten your debt and develop a natural resistance to spending more than you have for things you don't want to impress people you don't like (to paraphrase Robert Quillen).
- You'll have more time for what matters most.
- You'll learn a lot about yourself—relatively painlessly.
- You'll be at ease talking about finances openly and honestly.
- You'll forgive yourself for your past money mistakes and get on with it.
- You'll save for retirement and get there, possibly a lot earlier than you can now imagine.
- You'll put your life in service to your values rather than putting your time in service to money.

Financial Independence

The purpose of the nine-step program in this book is to transform your relationship with money and help you achieve Financial Independence. The result is liberating your most precious resource—your time—to make room for more happiness, more freedom, and more meaning.

What does it mean to “transform” your relationship with money? It doesn't mean getting more money or less money; it means knowing how much is *enough* money for you to have a life you love, now and in the future. It means shifting from being a victim of money and the economy to making conscious choices. Anyone can do this.

What do we mean by “Financial Independence”? At the most basic level, Financial Independence means no longer having to work for

money. More than this, *Your Money or Your Life* takes you through a process of liberation that starts with freeing your mind from the illusion that buying stuff will make you happy or that more is always better. You see with such clarity the thoughts driving your money patterns that the patterns themselves evaporate. As you do the steps of the program, your debt melts away. With debt receding, you naturally build up savings. You no longer hit the panic button with unexpected expenses. Saving becomes a habit. You save more. And more. Eventually you can choose whether you work for love or money. This is how it's gone for many people—and how it can go for you.

As you read this book and work through the steps, you'll see that you need not be resigned to devoting the majority of your waking hours to making money. The nine-to-five grind may be the societal default, but you can steer your life down different highways—with off-ramps to your true calling and a more pleasing future. What will you do when you no longer have to work for money? You may not know right now, but by doing the suggested steps, you'll have enough clarity, focus, and confidence that the dreams waiting for you to find them will start to appear.

As one *Fier* (our term for a person who has applied the steps to achieve Financial Independence) says, “This isn't really a book about money. It's a book about life.”

How This Book Came into Being

Meet Joe Dominguez, the originator of this nine-step program. Latino by descent, raised on “welfare cheese” by a mother who never learned English, he grew up in Spanish Harlem in New York City. He was a runty guy and wicked smart. He couldn't use brawn to survive, so he became the brains of his gang, learning to make explosives and plan strikes on rivals with successful getaways. His survival instinct was sharpened by necessity, and in part *Your Money or Your Life* comes out of his canny ability to assess threats and opportunities and emerge from anything alive. As Joe saw it, the money system was like the welfare system and the justice system and the poverty system: How do I get through this on my own terms, in it but not of it? He never graduated from college but stumbled into a job in a Wall Street