

# STOP BEING POOR

Yes, it IS a choice...



Roger Blankenship

# "Stop Being Poor"

2019, Roger Blankenship

I was minding my own business at the pool the other day and a young man walked by with a shirt that read "Stop Being Poor." My first reaction was to be a bit startled, then amused. I thought to myself "he's inviting a heap of criticism upon himself -- I wonder if he can take it?" He was a pretty skinny fella. Then I realized we were at the pool deck of our building in midtown Atlanta and it's unlikely he would run into any poor people at this venue. Of course, if we want to see poor people all we need to do is step outside the door of our building and start walking in any direction. We won't go a full block before we come across someone with their hand out, making various claims about their homelessness, joblessness or poverty.

The subject of poverty is not a happy one. In fact, it might be one we prefer not to ever think deeply about. But it is ever with us and should be considered in light of our larger responsibilities to ourselves and the people around us. Everyone is born into a "money" situation. Some are born having money, but for many the "money situation" is your family didn't have any. You were poor. As kids you might not have noticed. It wasn't until my middle adulthood that I realized how strange some of my growing up was. I may be the only person you will ever meet who grew up in a double-wide trailer with a detached family room. Poverty, or relative poverty is a reality for many. Some manage to escape it but many never do. The reasons behind those who leave and those who stay in poverty are difficult to articulate but one thing is certain - it has more to do with a person's mindset than their circumstances. This is especially true in America. It's easy to blame external forces and to be sure there are societal challenges to overcome. But if you choose to focus on who else (outside of yourself) is to blame, you only delay working on the problem. Ultimately it is up to each individual to escape poverty by using whatever resources available to him or her. And it begins in that space between your ears.

My initial reaction to the t-shirt was a little bit of amusement little bit of embarrassment little bit of maybe discomfort. It seemed a little rude but I thought "can you really just tell someone to stop being poor by saying it and that's it?" Unless you have known me for a while you may not know that prior to my career in real estate I was involved in a number of Christian ministries. We worked with the poor not only in this country but around the world. It has been my privilege to build homes for the homeless in Central America and to help build an orphanage in South Africa. I've seen true heart-wrenching poverty first-hand and I have seen situations where there is little or nothing a person can do to escape.

I've done quite a bit of reading on the subject of poverty and compassion and what to do. One of the best books on the subjects no longer in print but if you can get your hands on it you should read the book "The Tragedy of American Compassion" by Marvin Olasky. It's thoughtful, it's detailed, it's reasonable and the research is rigorous. And it's kind of a life-changing book.

Now back to the T-shirt. I started to research this. Outside of sports I really don't watch much TV and I'm not that tune in the popular culture or what's happening so much on the internet. But apparently there is an entire meme about this. You can buy T-shirts that say "stop being poor" and there are multiple stories detailing the debate about whether or not you can just decide to stop being poor and whether or not poverty is a choice.

Most of the articles I read were baseless, illogical emotional rants the gave me yet another concern for our future and the American education system. Olasky's book is by far the best on the subject but you may not be able to find it, and it is a BOOK -- meaning a long read. And there are no pictures. I'm going to make a bold statement here now and I hope it doesn't offend, but I realize it may. There's nothing I can do about whether you are offended -- at some point we each have to pick a spot to stand on and here's my spot:

I believe that in the United States of America in this day and age poverty is a choice. Yes, I know that people are born into poverty which was not a choice. I understand that we don't have a choice about where we were born but we do have a choice about where we're going to end up. OK before you stop reading in anger right now hear me out okay? Many are born into poverty and don't realize that they have an opportunity to get out.

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*In the United  
States today,  
poverty is a choice.*”

Our role is to present the opportunity. We cannot lift people out of poverty. We can't "gift" them out, we cannot "lotto" them out. These create dependency and/or false hope or both. Olasky's book provides detailed and accurate records from both history and contemporary studies that a paternalistic approach (giving the poor money or things) does not help them out of poverty but consistently has either no effect or a negative effect. For many – including everyone not born into wealth – the road to financial independence and financial freedom is one filled with challenges, struggles, and difficulties that create the very mechanisms by which we attain and maintain our success.

## Poverty is a choice.

Poverty is a choice because in the United States of America anyone can choose to do something different with their life. I have watched the video from where we got this meme. Some stock broker just kind of stumbled into this with an interview with some guy from The Comedy Channel. He said "well you know, if you're poor, just stop being poor." It was not a prepared remark, but the howling response was predictable. The man was made to look like a fool, but actually in a weird way he spoke a profound wisdom.

## Just Stop Being Poor.

They were discussing the cost of healthcare and I don't want to get into the whole health care debate because we're already on one sensitive topic here and we don't need to throw another one into the mix. When he said, "stop being poor" the host looked at him and his eyes wide and then he said, "Are you saying if you're poor to stop being poor?" and the guy said well yeah that's a good idea.

That comment spoken in a casual way without any apparent malice or ill intent got him fired from his job. He sued his former employer stating he wasn't really thinking through every word carefully. But in the world of today's super-sensitive media, everyone has their triggers out and you have to be diplomatic anytime the camera is rolling or just don't say anything at all. You run the risk of damage to your reputation and your career because you offended somebody even if what you said is demonstrably true. Can you just decide to stop being poor? The more I think about it the more I realize you can.

I think of one of the great teachers of all time and his remark about the poor...

## "The poor will always be with you." -Jesus

*While Jesus was in Bethany in the home of Simon the Leper, a woman came to him with an alabaster jar of very expensive perfume, which she poured on his head as he was reclining at the table. When the disciples saw this, they were indignant. "Why this waste?" they asked. "This perfume could have been sold at a high price and the money given to the poor." Aware of this, Jesus said to them, "Why are you bothering this woman? She has done a beautiful thing to me. The poor you will always have with you, but you will not always have me. When she poured this perfume on my body, she did it to prepare me for burial. Truly I tell you, wherever this gospel is preached throughout the world, what she has done will also be told, in memory of her." Matthew 26:6-13.*

The story involves the extravagance of a gift that was presented to Jesus followed by a criticism that the gift could have been sold and the money given to the poor. On the surface it almost seems like Jesus made a cavalier or uncaring remark but that's not how I would characterize it nor how I would characterize what I know about Jesus.

"The poor will always be with you" is merely a statement of fact. This was not a discussion about poverty but more about a response to the person of Jesus. I wish I could have been there and I wish I would have had the presence of mind to ask the question, "why." Why will the poor always be with us? There will always be poor people but why is that?

There are a number of reasons why there will always be poor people and poverty.

Going back to the beginning of the American War on Poverty you will see it really hasn't made much of a difference. Some argue that the significant difference is negative. When you compare the percentage of the population that lived in poverty before we started spending billions and trillions of dollars compared to the percentage

of the population that live in poverty now you see little difference. An honest researcher will admit that the definition of poverty has changed and even today's poor people are doing all right by comparison and those government programs had something to do with that. When it comes to poverty in terms of material goods, the standard will always be relative. The poorest Americans are still better off than the majority of people living world-wide. The lowest actively employed Americans have more than 98% of the world's population.

It is a sad fact that the poor will be with us to the end of time. That doesn't mean we should do nothing about it. There are some things that we should and could do but just realize we're never going to eradicate poverty completely.

When considering possible solutions you cannot make much more of a concerted effort than two of the largest countries in the history of Earth have made in the last hundred years. I'm referring first of all the Soviet Union which was formed in part from a desire of the masses to create an **equality of outcome** and to lift everyone out of poverty.

It didn't work.

Communism cannot work and neither can socialism because both of them approach the problem with a remarkable naivety about human nature itself. There is an assumption that everyone wants to lift themselves out and everyone will pull their equal-weight, do their fair share and contribute to the well-being of all. The reality is, once people realize their efforts will not necessarily advance them and a lack of effort will not leave them homeless or hungry, effort begins to subside. It doesn't take a colossal collapse of effort - just 10% less from nearly every working person until that 10% becomes the norm. Once a new performance norm is established, some will slack off from that and repeat the cycle. Suddenly you have a society with businesses that cannot compete on the world stage, a lack of progress, and scarcity becomes standard. The massively scaled communist experiment that was the Union of Soviet Socialist Republics has proven that it doesn't work. Every time it's ever been tried communism and/or socialism has only spread misery around and lowered the standard of living for the general population.

Capitalism and Free Enterprise have done more to lift people out of poverty and to create wealth and opportunity than any other system in history. Are capitalism and free enterprise flawless? Of course not. They have flaws because human nature itself is flawed. Sometimes people choose to do the wrong thing. Self-interest crosses a line and becomes greed. Greed hurts consumers in the short term. But the market, left to itself, provides corrective measures in the form of competition. Overly greedy merchants will be undercut by and lose market share to others who are content to

make less profit. Competition in an open market drives innovation, efficiency, and fair pricing.

The American experiment in solving the problem of poverty has taken a different approach from that of the Socialists. Rather than enforce a common worker code, owning all businesses, and mandating full employment, the American plan was to take money from the producers and give it to those who did not or could not produce. This was in effect a massive governmentally mandated charity plan. While it no doubt helped some, the “poor are still with us.”

The result is predictable regardless of the economic system because there is no way to create an **equality of effort**. Nor is there any way to enforce **equality in abilities**. Therefore, it is impossible to create an **equality of outcome** unless you assure that the universally shared outcome is no greater than what the least capable and the least willing can produce. This means there will always be poor people. Even when communism was at its height in the Soviet Union there were some people who did less well than others. There was a general level of misery and some were more miserable than others.

There are four reasons why poverty will always be with us:

- a. Lack of reasonable opportunity.
- b. Lack of ability to lift themselves out. Mental illness or physical disability.
- c. Trapped by culture - unaware of the steps out of poverty.
- d. Unmotivated.

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*We cannot create  
equality of ability or  
force equality of effort.  
Why would we believe  
for even a moment we  
can guarantee equality  
of outcome?*”

## Let's break these down

### A. Lack of opportunity

This is almost certainly true in non U.S. countries, but in the United States of America I'm not buying it. The U.S. doesn't have any natural or artificial barriers holding anyone back. There is an undeniable tension created by wrongdoers and wrongdoing even at the governmental level in our past history (as every other

country on the planet). Some are mistreated. Some are discriminated against to be sure. But the U.S. does not include the mistreatment of people from different ethnicities and skin colors of as a part of our accepted culture. It is illegal to discriminate based on a variety of life circumstances. There will always be rule breakers and outliers, but the person seeking to get ahead will focus on the opportunities that abound here, not seek to blame others or embrace victimhood. I've visited several places around the world where there is simply no reasonable opportunity and it takes a rare and significantly determined individual to break that cycle of poverty. Although rare, some manage to lift themselves out.

Have you ever wondered why Mexico isn't building a wall to try to keep out the flood of people from America trying to get into Mexico? Mexico isn't where the opportunities lie. Just think about why so many people want to come to this country. If you listen to certain individuals, news sources, or even some elected members of Congress talking about our country you would think that we are THE great source of evil in the world. So why do people continue to risk life, limb, and loved ones to get here? Why is that? This land of freedom is the land of economic opportunity. Those striving to get here may not be able to fully articulate the geo-political issues that create the problems in the countries they are leaving, but they know one thing is certain - a better life awaits in America.

Through a translator I once had a conversation with Maria, a native Guatemalan who lived high up in the mountains west of Guatemala City. We were building a "home" for her - a simple 12x12 corrugated metal building with one window and one door. Her story was typical. Her husband worked for many years on a nearby coffee plantation. The plantations own all of the arable land while the workers live in small villages cut out of the sides of the hills too steep to farm. Her husband had died and she had grown too old to work in the fields. She had nothing, no money, no means to make money, no family to depend on and no opportunity. She was very small and frail, no more than 4'6" tall. She showed us where she was living. Her "home" consisted of two stacks of plastic crates - the type they ship two-liter bottles of soda in. They were stacked up about 5' tall. Across the top lay one 4' wide piece of tin she had salvaged. It was not secured to the plastic crates and the "roof" would frequently blow off or the entire home would blow over in a storm. It was basically a place where she could stand or sit on the ground to stay out of the weather - much like an American bus stop except far smaller.

Where is the opportunity for Maria? There is none to be found. There is nothing she can pursue. Looking for governmental policies or national history to find "reasons" won't clothe or feed Maria and she has no way to do it for herself. The

“opportunity” here is for us to help the missionaries and others who want to help her.

Some have asked me why I tend to be somewhat unsympathetic to the poor in the U.S. Take Maria’s story and multiply it by hundreds of thousands and you’ll begin to understand.

## B. **Lack of Ability**

Some do not have the ability to lift themselves out. I'm talking about people within this country. They just don't have the ability. There may be mental illness and there may be physical disability or they have legitimate reasons for not being able to get out of the trap of poverty.

It is with a sense of pride that I tell you about one of my life heroes - my own father. When he was 16 years old he lost his right arm below his elbow in a farming accident. You would never know it judging by the things that he has done and continues to do. I don't know if you've ever operated a track loader but this machine has two things to do with either hand and both feet, all at the same time. You're running the throttle and the forward and reverse levers with the left-hand and you're running the bucket controls with the right. One lever raises and lowers and the other tilts and scoops. You also have a brake pedal for each track and another pedal between them that brakes both tracks. To “steer” the machine you throttle up, go forward or reverse and then brake one pedal or the other while the other keeps propelling you. When you are operating you're running all the four controls with two hands and three controls with two feet at all times. My dad made a living digging basements on one of those machines while all he had for a right hand was a hook. He was bumping and clicking those two control levers and he bumped and clicked his way to owning the company. So I'm not even buying physical disability for people in the U.S. I'm not giving you a free pass on that because I've watched my dad overcome this disability and make something out of himself. I've watched him pour and finish concrete, hang and finish sheetrock, weld, repair vehicles, build houses, and live completely free of the need of assistance or charity. I realize the severity of some physical and mental disabilities make it impossible for some to produce and I can sympathize. Those people are destined to live by the generosity and grace of others. My attitude toward them is completely different than it is toward the able-bodied who won't work.

It is now popular or even required to call someone with what used to be referred to as a handicap as “differently-abled.” That description is so broad the lines get

blurred. In one sense we all have handicaps, because we all have differing abilities – weaknesses and strengths. We are all differently-abled. Again, you

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*Sixty years ago today  
I lost my arm. It was  
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ever happened to me.*

may have a room full of people who appear healthy and normal but a percentage of those will have a variety of debilitating emotional issues. Some, like anger management and bipolar disorder, are treatable and allow full or nearly full functioning in society. Others are more debilitating. Here's the truth of the matter: Most of us can blame something - anything for our inability, unwillingness, lack of discipline, or lack of determination. But the vast majority of people are able – regardless of

physical or mental disabilities – and well enough to function so as to provide for their basic living necessities. Many are able to do much more.

My family and I were visiting my parents at their retirement home in Florida some years back and we decided to head out to their favorite local diner for supper. After supper we came out as the sun was going down and my Dad stopped short and stared at the sunset for a nearly a full minute. He seemed lost in thought. When I asked him about it, he said, “Today is Friday the 13th.” Yes is was -- June 13<sup>th</sup> 2008 in fact. Then he looked at me and my kids and said, “Sixty years ago today I lost my arm.” My dad had never talked about losing his arm and what little I knew I had learned from my mom, so this conversation had our complete attention. What he said next surprised me in part because he still gave no details of that day but also because of his interpretation. “It was the best thing that ever happened to me. It made me the man I am today.” That was the end of the conversation and the last time he ever spoke of it.

Disability, depending on its severity can limit your options. But it is not the end of opportunity. In some cases like my Dad's, it a catalyst for change that may create a lifetime of opportunity.

**C. Some are trapped by culture.**

This is certainly true. They are unaware of the steps out of poverty. Look at children who live in slums in terrible areas in this or any country. They don't know anything different and they don't know any better. They might not even really know how bad they have it and they're unaware of the steps out of poverty. We

have a wonderful opportunity to give to them show them a different way.

Entire cultures and economies have been and continue to be based on the types of priorities that can accurately be described as the “poverty mindset” which I’m going to outline below. When fully immersed in this mindset your brain simply cannot grasp another way to approach life that may yield a different result. Without the knowledge of a different path the tendency is to regard wealthy people as having “inherited it,” “stolen it,” or “made their money on the backs of poor people like us.” Any of these beliefs will work as a slow poison to the brain ultimately yielding resentment and envy. Much of what pretends to be political discourse on the issues of wealth and poverty are merely recycled portrayals of envy reflecting a nearly complete lack of financial understanding.

Take this two-question survey of your friends. First, ask them what they would do if they suddenly came into \$10,000. Pay attention to their priorities, which will fall into one of these categories:

- a. Consumption - what they will buy.
- b. Savings - what they will “put away for a rainy day”
- c. Investment - what they will put into something that makes their money work for them.

Next ask them what they would do if they suddenly had \$1,000,000. The Consumers will often run out of things to buy before they get to \$1,000,000 so at that point they will start thinking about investments. This is why one-third of all lottery winners end up filing bankruptcy and are worse off because they have also lost friends and family.

Most people will spend the entire \$10,000 on something or some things they’ve been wanting for awhile. Most of them will spend half or more of the \$1,000,000 and then think about investing. If this is the result you get here’s what you can know: (1) These friends will never be truly wealthy, and (2) You need to make some new friends. They are not necessarily bad people, but they are also not going to be joining you on your journey to wealth. When you succeed, they will likely either mooch off you or resent you (or both).

The cultural mindset of the U.S. is, and has been since the dawn of the advertising age, consumerism. We have “stuff.” George Carlin famously describes our homes as a “place where we store our stuff while we go out and

get more stuff.” Think about the advertisements you see and hear from all sources comparing those for consumption with those for savings, investments, and putting your money to work for you. Most of what you hear and see confirms the poverty mindset that keeps people from financial freedom.

D. **Some are just unmotivated.**

I almost hate to mention it but this is an undeniable fact. The majority of people living in poverty are there because they just lack the motivation to do the things that lift them out. America is a land of opportunity unparalleled in the world and throughout history. It's also a country where you can do absolutely nothing with

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*If you are unmotivated  
I'm OK with that. Just  
don't complain to me  
about being poor.*”

your life and receive handouts that make your living standard better than much of the rest of the world.

Frankly many are going to choose this. If you are unmotivated -- if you'd rather sleep than work -- if you prefer entertainment or (fill in the blank with the substance of your choice) rather than advancing yourself, I'm okay with that. It's a free country -- just don't complain to me about being poor. And please

have the intellectual integrity to stop blaming everyone else.

There are also the functionally unmotivated. These are the people who have a job, do the least they have to do in order to take home a paycheck and try to content themselves with security. They are not necessarily poor, but they will also rarely become rich. They lack the drive to get themselves there and if they come into large sums of money their habits and lack of financial ability will soon have them back at subsistence levels.

What can we do about the unmotivated? I will expel enough breath to let them know there is a better way, but unless they show interest, I'm moving on. Have a nice life.

When I say “stop being poor” I'm talking about changing one's mind. Since I'm speaking to people who have made it this far in this little book, you might already be on your way! I'm referring to things that you can decide and change with your state of mind. I will say more about this but I'm not ready to leave even the willing poor behind.

## Important Sidebar: What do we do about the poor all around us?

When I walk outside of my building in Midtown Atlanta I don't have to walk very far until I meet someone who is poor. They have a sad story to tell. What do I do? I had a thought one day that if I treated these people as kind of toll road on the walk of life it could get expensive to just walk down to the drugstore to the convenience store or to a restaurant or to the grocery store. We walk to a lot of things. If while driving we gave a dollar to every person on the side of the interstate near the exit ramps it would cost me between 5 and \$10 to get anywhere every day of the week.

When I lived out in the suburbs I would occasionally see somebody standing at the top of the exit ramp and I would always want to toss them a dollar. I lived by the attitude, "that dollar means a lot more to him than that does to me." I know that's probably their car hiding over there in the weeds and they're out here just making 15-20 bucks an hour. Even if true, the dollar *still* means more to them than it does to us those of us who have been blessed.

But in the city, it is relentless, endless, and giving to one person seems to bring more of them out. The situation can sometimes become dangerous. Recently in midtown Atlanta someone was actually trying to help a homeless person who turned out to have a gun. When the people didn't have enough cash on hand the "homeless" person shot the gentleman who died later of his wounds. You must to keep your wits about you and make sure that you know where your escape route is and be careful at all times. I'll just tell you how Dianna and I now handle it. I feel a little guilty about this but here is the truth. If someone approaches us to just ask us for money, honestly this sounds terrible, but we generally ignore them. We live just a few blocks away from homeless shelter. No one needs to get money from us to get water. Nobody needs to get money from us get food. There's food and water right around the corner just a couple blocks away. What they have to do is show up on time, abide by a few simple rules and they will have food and shelter.

On the other hand, if someone sits down and plays a musical instrument or even if they don't have an instrument, if they sing or demonstrate willingness to do something -- anything -- We are much more inclined to give him money. The other day we walked out of a restaurant started the three-block walk home. A gentleman walked up to us and started telling his jokes and he called himself the homeless comedian. He told two or three jokes and made us laugh so we gave him money. We don't know what he was going to use it for but he's out there doing something to try to hustle up a little bit of money, so we rewarded him. That's just our approach to it. We don't want to be insensitive and we don't want to ignore the poor. We also realize we don't carry enough cash to give something to everybody we meet on the streets of Atlanta.

Here is an unintended problem with government welfare programs. Taxpayers tend to kind of shrug their shoulders and say "well, I pay my taxes so therefore we'll just let the state take care of them." But it's not enough. Many people are so marginalized they can't get themselves into the government programs. I'm not saying it isn't their fault - it probably is. But for whatever reason they are on the streets and in need.

What do we do? We can't take care of them all and it may not even be a good idea to try. Simply put, we do what we can. That does **not** include telling them to stop being poor. Although I am contending in this paper that one **can** decide to stop, it's not going to be helpful to say that to a person in need. As much as we can, we provide comfort for the momentary affliction and hope possibly for some chance that our kindness could point them in the right direction. As much as this message will probably fall on deaf ears, there remains the possibility that someone will listen. This message will be most helpful for those who truly want to find a way out.

We are going to have the poor with us so what do we do about them? What can we do and what should we do? What we can and should do is feed, clothe, and shelter them. I know some of you are thinking that sounds inconsistent with what I just said a couple of paragraphs ago. Isn't it everyone's personal responsibility to take care of himself or herself? Yes, it is, and some people are simply not going to do it. We feed, clothe and shelter them *anyway* while continuing to show them the way to escape grinding poverty. We do this even though we know many will ignore our instruction. But we do this also because *some will*. There are always the lazy, indolent, and incapable. But there are also always those who just need a little help. We don't have to screen them in order to provide basic assistance. Those who are ready to break the cycle of poverty will do so with just a little help. What do we do about the people who refuse to take the way out? They may not ever say it but they prefer to remain poor. We feed, clothe, and shelter them.

Really. Yes, we do. Why? Because this is how we live out beautiful concepts known as Mercy and Grace. We have all received mercy and grace and perhaps the most God-like thing we can actually do with our lives just to be conduits of mercy and grace. What are Mercy and Grace? Mercy can be defined as "not getting the negative results you deserve." Someone once said to me "I'm just not getting the life I deserve." When I think about that remark I say, "Thank God I'm not getting what I deserve." That's Mercy. Grace is getting positive blessings you don't and couldn't deserve. The person you are helping hasn't "earned" anything from you. Through you, graciously and generously giving, that person receives something they didn't earn and cannot repay.

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*Sometimes life will  
hand you a break.  
Often it will hand you  
a heart-break.*”

## How Do I Decide to Stop Being Poor?

Anyone hearing my voice right now has the opportunity to do something different with your life if you want to. If you think there's a better life out there and you want it badly, you have the freedom in this country to pursue it. When you do, something is going to happen. It's not magical thinking, nor is it wishful thinking. You can will yourself to a

better place. It may not come easy – it probably won't. It will require dedication, effort, education, and risk-taking. And the end pathway may not be the one that seems apparent now. But you'll never get to that important crossroads if you don't begin the journey. Along the way someone is likely to show you mercy and grace – not because they're getting anything out of it but because it is the right thing to do. But some are just as sure to mistreat you. They will take advantage of your lack of knowledge and experience. You will meet the good, the bad, and the in-between. Sometimes life will hand you a break. Often it will hand you a heart-break. When things do not go well, you have choices about how to respond and ultimately your life will consist of those responses. If you choose to accept defeat, wallow in victimhood or blame others, you are on a path whose destination is poverty. It could be a poverty of material things or it could be a poverty in spirit. But you will be poor. You can respond with resolve, determination, grit, and the wisdom of lessons learned and you will find yourself on the road to wealth.

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*Life is less about  
your circumstances  
and more about how  
you respond to them.*”

If you want to be rich, learn what rich people do and do that. How do you learn what rich people do? You might say, “I didn't get a good education” or “I didn't go to a good school.” There is a free public library not far from you. Go down to the library and start reading the biographies of the rich and famous. Read the stories of people who have made it. Sooner or later you will connect with someone who rose from rags to riches and if you're in rags now just do what they did or follow their footsteps keep working at it and you will figure it out. The real question is **not** whether there is an opportunity. The real question is, “how badly do you want it?”

If you want to be *truly* wealthy, study the lives of those who found peace and inner joy. The journey toward meaningful living is what brings life's deepest satisfaction. A destiny of unbridled wealth is not in the cards for most of us, but there is no reason for any of us to remain poor - in material things or in the spiritual. It's up to you.

We are not going to solve the problem of world poverty, but we can do our bit to solve the poverty issue for ourselves or someone around us. I help lift people out of poverty by showing them what they can do to get involved in a lucrative career such as real estate investing so I'm happy to help in that way.

### Poverty Mindset:

I've been talking about changing your mind. So what needs to change? Below I lay out as clearly and concisely as I can the “beliefs” you must alter or destroy to escape the

Poverty Mindset. If you will change your mind, your behavior will change, and your life will follow course. The Wealth of Life is a destination with a clear path. If you are on the path, your destination is set. The same holds true for any other path. There is a lot of crossover with the following items and almost all of them are present in everyone who possesses a Poverty Mindset.

## Consumerism

This is the belief (whether stated or not) that my life significance consists of stuff. It is connected with inflated ego and incorrect beliefs about self-worth and significance. If shopping is therapeutic for you, change your mind about your therapy. Find it in puppy videos or walks in the park.

Why do we need a new \$500 speaker system? Because we can now control it with Alexa. We can say, "Alexa play my workout soundtrack" and suddenly you are hearing your favorite workout songs with the full spectrum of speaker sound. *Wow. Cool. So Cool. I gotta have it. Yeah.*

Why would you spend \$50,000 for a new pickup truck to replace your functioning 4 year old pickup truck? "Well, it's getting some mileage on it - if I'm going to trade it, I need to do so before I get to 100,000 miles. The new model has a greater towing capacity and gets 3 more miles to the gallon. Also, the new bluetooth integration is great and it comes with a new and improved comfort ride package." How often do you actually tow anything? "Well, never actually, but it's nice to know I have a greater capacity for it when I need to." That same argument goes for getting four-wheel drive on a truck that will never leave the suburbs. *Wow. Cool. So Cool. I gotta have it.*

This cologne is awesome. It doesn't just smell good. It makes me a chick magnet. *Wow. Cool. So Cool. I gotta have it.*

Did you see the new line of Jimmy Choo's? Those colors are poppin. *Wow. Cool. So Cool. I gotta have it.*

Have access to every song that's ever been recorded or performed! At your fingertips. Always available to you. Just \$20 per month. *Wow. Cool. So Cool. I gotta have it.*

You need a new living room set! Everything is on sale. And you make no payments for a couple of years!!! *Wow. Cool. So Cool. I gotta have it.*

“  
*We spend money we  
don't have to buy things  
we don't need to impress  
people who don't care to  
achieve a life that  
doesn't exist.*”

This is the mindset that leads us to spend money we don't have on things that don't matter to impress people who don't care for a life that doesn't actually exist -- the dream world created by the advertising industry.

It's easy to laugh and criticize when you write it all down like this. But when you are caught up in it, the lure of "stuff" is seductive and deceiving. You might not know you're even playing the consumerism game until it's too late.

But consumerism is a sure-fire way to prevent you from becoming financially free.

### **Subsistence / Lack of Margin**

This is the belief that life is mere survival. I make enough for me and my family and then spend everything I bring in. Why do more? Why would I work harder to make a 2 acre garden when a 1 acre garden will feed my family? "You might be able to sell the extra crop for a profit." When hearing this the subsistence mindset will find 5 or 25 reasons why this is too much trouble. The focus is on the comfort and provision for today with little thought toward the future or the thought that "the future will take care of itself."

I like to play a little game that reveals a subsistence mindset. Tell me your address (homeowners) and I'll tell you your household income. This works almost 90% of the time. When it doesn't work, the people are doing well financially. Here's why. I have access to the deed records in the state of Georgia. When you provide your address, I can find out when you bought your home, how much you paid, and the amount of money you borrowed. Using a mortgage calculator, I can figure out what your principle and interest payment is. Your tax bill is also a matter of public record, so I add that and I can make a safe assumption about your insurance to arrive at a PITI payment that would be pretty close to your actual payment. I then divide that payment by .28 and voila - that's your household income!

Why does this work? Because MOST people buy as much house as they can afford. What can they afford? A house whose payment is no more than 28% of their gross household income.

When someone approaches a purchase by first asking "how much down and how much a month?" they are revealing a poverty mindset guided by consumerism, impatience, and subsistence. Their reasoning is "I can pay this amount every month and still have enough left to live."

These people might make good money and might be well educated. They might even understand the math behind the Time Value of Money Formula, but they refuse to live by it.

The end result is a lack of financial margin and a life that must go perfectly because there is nothing in reserve.

I had an employee once who made a good living selling granite countertops for one of my companies. She easily made \$500-700 per day in her job. Yet she was broke. And by broke, I mean not even enough money to feed her kids. I one time found myself at a pharmacy loaning her \$90 to buy her bi-polar meds because she had had car trouble the previous week and it had taken her entire paycheck. I'd seen her off her meds so, \$90 was a solid investment, knowing it would never be repaid (it wasn't). The car trouble was due to her buying a car at a "Buy Here Pay Here" lot which features astronomical built-in interest rates on clunker cars. I did not quiz her about her lifestyle but she volunteered that everything she owned came with a payment - even her TV set and furniture. As long as she sold a certain quantity of granite and nothing went wrong, she was fine. I didn't want to break it to her, but life is basically a long string of things going wrong. Tires wear out. Cars break down. You have to have financial reserves in order to make it through those times. In fact, you should plan on some of those expenses and have other reserves for the truly unexpected.

## Impatience

Here are a couple of poisonous thoughts from the Poverty Mindset:

"I want what I want and I want it now."

"I deserve this."

Instant gratification or the lack of ability to defer pleasure leads to the biggest wealth trap of the western world: Consumer Debt. Borrowing money for almost anything other than real estate is a trap and is NOT the mindset of a wealthy individual. I exclude real estate because it appreciates in value while adding certain tax benefits, but even there, buying real estate with debt can be a trap. It is easy to get into a situation that looked good on paper but in reality is a money drain. And every consumer item *without exception* is a terrible thing to borrow money for.

I can hear you now: "But what about a car?" You might come to me with a lot of "but what abouts" and the car would probably be at the top of the list. Yes, they are expensive and most people can't just run out and buy one. But you WANT to be one of those people who can and I'm about to show you how. Once I demolish this for ya the rest of the "but what abouts" will vanish on their own. I'm writing this as a guy who loves a nice comfortable car.

No one in their right mind will say a car is a good investment. I include collectible cars you will hold for 10-30 years and sell for a profit. This is speculation, not investment. The returns, if any, will be small on an annualized basis, and the risk is far too great for anyone other than a wealthy car lover who won't be crippled if the car never appreciates. So a car is NOT a good investment, ok? It's a consumer item that wears out and loses value. Newer and better ones are being made every week. This isn't going to be a paper on buying a car, so I'll keep this brief.

Borrowing money to buy a depreciating item is a stupid financial decision. Convincing yourself you “need” or “deserve” something leads to making stupid decisions like this. And I’m writing this as a person who has learned these lessons by making every stupid financial decision in the book. Buy a used car at least 2-3 years old for cash, paying no more than 10-15% of your annual income. The younger you are the higher percentage of your annual income could be allocated to reliable transportation. But it should never exceed 20% of your annual income. If you make \$50,000 per year, find a decent car for \$10,000 or less. Buy it for cash and drive it 3-4 years. Then repeat with less percentage. Ignore the advertisements for all the new features. In a few years you’ll have a vehicle that has all of them. In the meantime, you will free up money to pour into investments every month to assure your future financial freedom. If you are twenty- five or younger and will just do this one thing you end up far better than most of the people you know.

### Let’s do the math!

If you use 15% of your annual income to buy a car every three years that means you must put into savings or short-term investments at least 3-4% of your annual income **JUST TO BUY YOUR NEXT CAR.** (Yes, I’m shouting. You will need to put more away for other investing purposes). Let’s see how this works. You make \$50,000 per year and you want to follow the rule. You have \$7500 saved up to buy a car. That will get you a 2-3 year-old small domestic car. You know you want to replace it in 3 years. You expect in 3 years you will be making \$60,000, so your next car will be \$9,000. If you make zero interest, you will need to put away \$250/month for the next three years to have \$9,000. Therefore let’s make that the goal to put \$250 away every month IN ADDITION to other savings and investments. If you borrow the money to buy this exact car your payment will be about \$250/month for 3 years. Let’s compare:

- Payments of \$250/mon for 3 years.
- \$9000 paid out. Car is paid for. Now worth about 2500.
- Value change from \$9000 spent **-\$6,500**

Or you pay cash and “make a payment” into your investments.

- Invest \$250/month in a Crowd Funding real estate site paying 10% interest.
- Year 1: \$3000 invested, end up with \$3300
- Year 2: \$3000 in new investments plus \$3300 from last year: \$6,930
- Year 3: \$3000 in new investments plus \$6930: = \$10,923.
- Value change from \$9000 invested **+\$1923.**

HOORAY! You exceeded your goal by \$1923. Now you can buy an even better car! WRONG. If you are making \$60,000 you will stick to your guns and buy a car for \$9,000. You will have \$1,923 left over to jump start the next investing cycle.

You might say “the car I WANT is \$70,000.” To that I would say “fine, just get your income to \$700,000 per year and you’re good to go.” This doesn’t sound like fun (it isn’t really) and it won’t enhance your image. In my case it’s a challenge sometimes to fit into a car I could afford (I’m 6’5” tall). Just suck it up and do it anyway. Stop being poor.

Let's not even get started about furniture, OK? At least used cars have SOME value. Used furniture may be in excellent condition but is of almost no value. I would rather see you get free pallets, top with flattened cardboard boxes and cover with an old blanket than borrow money for furniture.

## Appearances

This is the “Looking good, feeling good.” mentality. I would argue that it does mean something to dress professionally, be well-groomed and look the part. But this does not mean spending an excessive amount of money on your image. This is why companies spend so much money in branding - they can charge more for their brand because of the brand. This is not a zero-sum game. They pay less for their branding and marketing than they collect from the increased prices they charge. Is the quality better? Sometimes, but not often. In many industries the better products and services are from those with smaller or zero advertising budgets.

I am not however talking about the companies here. I'm talking about your motivation. When you are considering a purchase, what percentage of your desire for a product has to do with the enhancement of your image? Be honest with yourself. There might always be some element of that. But it's equally true that many people have made it a part of their image to eschew expensive flashy brand-name items. Choose quality and durability over brand. Since my young adulthood I have consciously chosen clothing based on timeless style, quality, and durability. I don't want to spend a lot of money on my wardrobe – just enough to keep me up to date and looking ok. My grown daughters will tell you stories about sweaters I owned before they were born (“...keep wearing 'em dad – eventually they will come back into style!”). And yes, I'm still wearing a leather jacket I had custom made for me in 1991. It looks fine, has held up well, and still keeps me warm. There is no brand. No one really cares except for the style-minded, the shallow, and the image conscious poor.

Image is a tricky thing and would also require a larger treatment but please allow me to summarize this way.

1. Think about how you want to be perceived.
2. Consider others you perceive this way (no doubt your role models for this exercise).
3. Accepting that life is a journey, what steps can you take to move you in the direction of that image in financially prudent ways?

You don't have to "get there" immediately and you may not need to get there completely. Please just put some thought into it other than "what's in style today."

## Greed

People with a Poverty Mentality often characterize the rich as "greedy." In my life and experience I have seen a higher percentage of truly greedy among the poor. Greed is endemic and a part of the human condition. No socio-economic class is exempt. But greed is a crushing vice grip of misery that will keep a person in poverty. Why? Because no matter how much they bring in, it's not enough to satisfy. To be sure, some greedy individuals transition from financially impoverished to rich, but I would question whether they have become truly wealthy. There is a poverty of spirit that prevents even rich people from making any positive difference in the world.

What is the point of financial freedom and wealth? Is it all for you? Like many of the topics in this section, we are not going to exhaust the topics of Greed and Charity. Here's the bottom line: A wealthy mindset includes generosity. Generous giving of time, money, and resources mark a person who has truly learned that life is about more than what goes on inside their skin.

“  
*A Wealthy  
Mindset includes  
generosity.*”

“  
*For the poor these  
things are a mystery.  
For the wealthy, these  
things are obvious. For  
those struggling to enter  
the wealthy path these  
things are difficult.*”

Giving creates a sense of meaning. Giving can bring joy. Giving provides a sense of satisfaction. Giving creates a legacy. Giving opens pathways in your life and spirit to receive more and creates a cycle of giving more and receiving more. You will be truly free in your spirit when you are motivated to earn more so you can give more.

## Conclusion

Who provides the jobs that drive our economy? Hint: Have you ever gotten a job from a poor person? Who pays 95% of the income taxes in this country, including money redistributed to the poor?

Look around at the big buildings in your town. Not one of them was built by a poor person. Think about the significant

advancements in research, medicine, even the arts. Every large building in your town

was built by wealthy people. Every charity, including every hospital, every church, is built in part by wealthy people. People who manage to retire comfortably are wealthy people. Wealth is all around us, creating the advances, comforts, and conveniences we call “civilization.” Innovation creates wealth but wealth in turn funds continuing innovation and progress. The poor are excluded from this cycle. Only the wealthy participate.

What do they know that poor people do not? They know that the development of personal wealth involves getting out of the “live for today” mind and into the “plan and work for the future” mind. They know that life is more than money and money can provide for so much more than mere life. For the poor, these things are mystery. For the wealthy these things are obvious. For those trying to get on the path to wealth these things are difficult. But now that you know, you can choose to STOP BEING POOR.

I want to leave you with something practical and actionable.

What are some different choices you can make?

1. Ignore cultural and societal criticisms of the “wealthy” simply because they are wealthy. Choose to admire the qualities, innovations, practices, and businesses that put them there.
2. Resist the urge to envy or covet and instead choose thankfulness for all that you now have and the opportunity in front of you.
3. Never waste energy blaming others for your situation. Focus instead on finding the opportunity that will move you forward.
4. Live WAY below your means.
5. Defer purchases - NO impulse buying.
  - a. Lose the “stuff gives me significance” mentality.
  - b. Buy used cars for cash with no more than 10% of your annual income. Drive the wheels off of it. You buy more frequently only when you can buy the car you want for 1% of your annual income.
  - c. Never ever use debt to buy anything other than real estate.
  - d. Tell yourself, “I can wait.” If you need a reward, find a much less expensive one. Do not “treat yo-self”
6. Neat, clean, and professional appearance does not have to be expensive.
7. Just as puppies become dogs, nickels become dollars. Scrap for each one. Pick up coins off of the sidewalk - even pennies. It’s not just the coins you are picking up – it’s a mindset.

8. Give generously - even when you can't afford it. At least 10% of your gross income. This will open up your pathway to receive more. You bless more, you're motivated to do more, to earn more, to bless even more.
9. Choose to embrace the journey with joy. You are on your way, but the changes "in you" on the trip are as important as the destination.
10. In all things simply do your best. Always. Without fail. No one can ask anything more of you.

Is your life purely to be about your survival? Or is there possibly some higher meaning you can reach?

All the best...



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### After Word:

I believe strongly that getting smaller bits of actionable information is better than some \$30,000 or \$50,000 course. That's why I set up an online training course to give you small chunks of information in logical sequence with as much accountability built-in as I can manage. How do I do that? Nearly every lesson has a quiz and you have to take the quiz before you can take the next lesson. Sometimes the "quiz" is just checking off that you have done the assignment (finding a Realtor, for example).

Occasionally a quiz will have an open-ended question that needs a grade from an instructor. That's me. I'm personally checking in on your progress. I think I can handle the load until we get about 500 people in the program then someone else will have to help out. But for now you get ME, the Flipping America Guy and the author of the course looking over your answers. Once you have completed a module and passed the quiz you have access to that module for as long as you subscribe.

The course covers everything to know in single family real estate investing. Finding, Funding, Fixing, Flipping, and Renting. I call it the Ultimate Real Estate Investing Course because I tell you everything I know but as I learn more I add to it all the time. It's not \$50,000, \$30,000, or even \$10,000. Your investment is a mere \$50 per month. You can try it for free for seven days and there is no contract. You can drop out at any time with no further obligation. I don't know everything there is to know about real estate investing, but I know a lot. And I'll tell you everything I know for fifty bucks a month. There is no better deal out there. To enroll, follow this link exactly: [bit.ly/ureic](http://bit.ly/ureic)

Thank you for reading! Send your feedback and questions to [questions@rogerblankenship.com](mailto:questions@rogerblankenship.com).