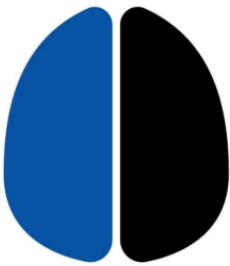


# THE MINIMALIST MINDSET



DANNY DOVER

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Intriguing Ideas

*The Minimalist Mindset*

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# **Chapter 1: All You Can Eat Habits**

A mindset is quite different from an idea. Whereas an idea is a mental spark, a mindset is a mental inferno. A mindset is a perspective through which ideas are filtered. An idea can burn out quickly, but a mindset lasts.

The previous portion of this book explained the ignition spark of the Minimalist Mindset, but this book hasn't yet put your hands on the steering wheel.

Just the act of reading a book, no matter how many ideas it contains (or how good looking the author is), is not enough to hold a mindset. To gain a new mindset you need to repeatedly practice habits. Habits, not ideas, are the programming language of human beings.

The remainder of this book will cover actions and habits for subtracting unnecessary additions from your life. Your willingness to make these habits a part of your life will dictate your ability to access the Minimalist Mindset.

We live in a world that constantly offers additions, thus your focus and efforts are best spent on deciding what to subtract. If you are able to do this well, you will then be able to free up time and money to fill your days with the activities, projects and people that you find meaningful and important. Doing so will enable to you to have a life well lived.

What you choose to prioritize in your life will of course be personal. The pursuit of happiness, after all, is the most personal endeavor anyone can take. There is no one-size-fits-all solution, and there is no magic acronym.

As such, the following chapters are what I call a habit buffet. Like a food buffet, you won't care for everything offered. If you read something that doesn't apply to your priorities, then skip that habit. Not everyone likes tuna noodle casserole. When you run into a habit that you don't like, try simply acknowledging it as an option and then moving forward.

You now have access to a very important idea. Using the habits that follow, it will be up to you to turn that idea into your new mindset. Your chains are now unlocked. It is up to you to summon the courage to walk out of the Cave.

## **Chapter 2: Money**

Every living human being shares the same two overarching limitations, time and money. You can trade time for money (we call this a job) and you can trade money for time (we call this convenience). One of the requirements to living life well is managing these two resources. We will start with the sexier of the two, money.

We begin with one simple economic truth: It is much easier to spend money than it is to earn it. This is the engine that drives the world economy. This is also the best place to start our progress toward getting this limited resource under control.

Conventional money management wisdom recommends eliminating small expenses first. The logic states that if you eliminate your morning \$5.00 Starbucks coffee, you will save

yourself \$1,825.00 a year. (\$5.00 multiplied by 365 days equals \$1,825.00.) Although this is mathematically true, it fails to acknowledge the full intangible value of the coffee. The purpose of your morning coffee is more than just to provide you with a refreshment. It also helps you establish your cadence for the day. A well structured and productive day is well worth the \$5.00 morning ritual.

Instead of eliminating expenses at the bottom, I have found that it is a much more effective habit to eliminate expenses at the top. To do this, you must first identify what are your most expensive but overvalued expenses.

## The Single Most Valuable Financial Action

The single most valuable financial action I have ever taken was to create a sorted recurring expenses spreadsheet.

The concept is simple. You are going to identify your recurring expenses and sort them both by the money spent and by the true value you received from the expense.

Whichever expense comes out at the top (high cost but low value) of this sort, will be your highest priority expense to eliminate. For simplicity sake, we are doing this with only recurring expenses, since over-time they tend to cost you the most money. Also for the sake of simplicity, we are only going to focus on monthly expenses, as annual expenses can be hard to find in bank statements.

If you don't want to create the necessary spreadsheet yourself, you can find a template spreadsheet at <https://>

[www.lifelisted.com/min](http://www.lifelisted.com/min) with the name “Recurring Expenses Spreadsheet”.

First, get at least two of your bank statements and identify all of the recurring expenses. You can do this by comparing two subsequent statements and identifying the expenses that occur on both.

If, like me, you find expenses on your bank statements that you aren't exactly proud of<sup>1</sup>, take the time and effort to forgive yourself.

In the past, you might have been a dummy but that doesn't mean you cannot be forgiven. Human beings make mistakes all of the time. It is part of the human experience. If, when you were a toddler, you made a mistake like tripping and falling down, you probably aren't mad at yourself now. The same logic can be applied when looking at your past bank statements.

Forgive yourself, don't stress about a past purchase you made. Let yourself know it was silly and resolve to not make similar mistakes in the future. Move forward.

**Step 1:** Create a spreadsheet of your recurring monthly expenses that includes a column with the name of the expense and a column that contains the monthly cost of the given expense.

Monthly Expense	Cost	Value	True Value
Mortgage / Rent	\$750.00		

Amazon Shopping (Averaged)	\$300.00		
Health Insurance	\$285.00		
Mobile Phone Service	\$120.00		
Monthly Fruit Box	\$65.00		
Car (Averaged)	\$55.00		
Music Subscription	\$9.99		

Next, add a “Value” column and a “True Value” column to the spreadsheet so that you can identify the real value you received from these expenses.

**Step 2:** Assign each of those expenses a “Value” score between one and three. (Three being expenses that are extremely valuable to your life, one being expenses that are not actually adding real value to your life.)

Monthly Expense	Cost	Value	True Value
Mortgage / Rent	\$750.00	3	
Amazon Shopping (Averaged)	\$300.00	1	
Health Insurance	\$285.00	3	
Mobile Phone Service	\$120.00	2	
Monthly Fruit Box	\$65.00	1	
Car (Averaged)	\$55.00	1	
Music Subscription	\$9.99	1	

Next, use the following equation to populate the fields in

the “True Value” column:

$$[(\text{Value} / \text{Cost}) * 100] \frac{2}{2}$$

**Step 3:** Finally, sort the spreadsheet by the “True Value” column (ascending) so that the highest cost, lowest value items float to the top. Using our example, the spreadsheet would look like the following:

Monthly Expense	Cost	Value	True Value
Mortgage/Rent	\$750.00	3	0.3
Amazon Shopping (Averaged)	\$300.00	1	0.4
Health Insurance	\$285.00	3	1.1
Mobile Phone Service	\$120.00	2	1.5
Monthly Fruit Box	\$65.00	1	1.7
Car (Averaged)	\$55.00	1	1.8
Music Subscription	\$9.99	1	10.0

If the spreadsheet is sorted correctly (expensive but low true value items will be at the top) you now have your prioritized list of which expenses to trim. In the example above, the two lowest “True Value” were “Mortgage/Rent” and “Amazon Shopping (Averaged)” expenses. These would be the most effective expenses to trim.

*Note: If this process is too complex, use the template*

*spreadsheet rather than trying to create the spreadsheet yourself. You can find the template spreadsheet at <https://www.lifelisted.com/min> with the name “Recurring Expenses Spreadsheet.”*

I use the word *trim* here intentionally as you will undoubtedly find it is impossible to completely eliminate some expenses. The best example of this is “Mortgage / Rent”. You cannot simply ask your landlord or bank to let you stop paying for housing. They will laugh or ignore you. You can’t eliminate this expense but you can probably trim it. One way to do this is to switch the payment source of your housing costs to a rewards credit card. If you are responsible with credit (this is a very important “if!”) and can pay your mortgage or rent with a credit card that gives you one percent back, you have just cut your largest monthly expense by one percent! If you can’t pay that expense on a credit card (many mortgage companies disallow this), consider renting out a spare room or moving to a place that provides you with a better True Value ratio.

This spreadsheet exercise far outweighs the value of cutting out morning coffees.

You can use similar tactics for trimming your expenses on food (Chapter 21: Food), transportation (Chapter 10: Transportation) and clothing (Chapter 18: Clothing).

Using your prioritized expense spreadsheet you can also more easily make the hard decisions on which expenses can be entirely eliminated.

Doing this exercise once is great, but the goal is to make

doing this a habit. (I recommend doing it once every three months.) Life will inevitably throw new expenses your way. It should be your purgative to focus on identifying which ones are not providing you with enough True Value, and then acting to trim or entirely eliminate those expenses from your life.

## **Debt**

For many people, interest payments toward debt repayment will be included on their prioritized list of recurring expenses. If debt is on your list, it should be the first expense you fight to defeat.

Debt is a disease. It is stressful, paralyzing, and financially crippling.

The most painful part of debt is that it is a source of stress that is present all of the time, but can only be acted on once or twice a month (dependent on how often you get paid). This makes debt unusually negative.

When I first encountered debt, I downplayed its importance. I made minimum payments and tried my best to ignore it. Unfortunately, this was a losing battle. Even though I tried to ignore it, my debt added an incredible amount of negative financial pressure and stress to my life. Every time I ran myself through the "Recurring Expenses Spreadsheet" exercise, I saw that debt was strangling my freedom. This made it impossible to ignore.

It wasn't until I fully acknowledged that debt is evil that I started to make strides towards actually conquering it.

Debt is not just an annoying reality, it is the prime example of the shackles that hold people back. Debt is the enemy, it is the force sucking your life blood.

Once I realized how horrible debt really was, I started reacting to it like I would react to a swarm of bees attacking my face. It instantly became my top priority and my sole focus.

I made some bold changes in my financial lifestyle, put myself on voluntary house arrest, temporarily gave up all of my hobbies, became obsessed with cutting costs, and was forced to spend less time with my friends and girlfriend. Subtraction of my debt became my main focus.

After four months of reacting to the metaphorical killer bee attack, I was able to pay off all of my remaining debt.

It was an insane reaction but it was what was necessary to free myself.

If you have debt, take a moment and consider how much negativity and stress it is bringing to your life. When you see your debt balance do you quietly feel shame, and distract yourself with something else (like I originally did), or do you acknowledge a real danger to your freedom and fight back?

If you are ready to fight for your freedom, fight like the bees are already here.

## **Eliminate Expenses At Their Source**

After you are done trimming and eliminating expenses (debt being the most important), your next highest value financial action is to simplify your spending abilities.

The more ways you have to spend, the more you are likely to spend. Before I started to eliminate my spending abilities I had three credit cards, two debit cards, countless gift cards, about \$100.00 worth of coins, and about \$500.00 in various currencies that I kept telling myself I would convert back into my normal currency one day. All of this was of course a huge financial blunder.

I had so many ways to spend money that I would frequently lose track of my expenses. Even worse, my accounts were so diluted that I was unable to make large purchases on any of them without incurring debt. Even when I received paychecks I would frequently run into cash flow issues.

I had recurring expenses for services I didn't even know I had, and currencies (both literal and in the form of gift cards) that were effectively valueless to me.

It was a big mess.

To remedy this, I blocked off three evenings on my calendar and vowed to get my personal financial system under control.

During the first two evenings, I eliminated all but one credit card and one debit card. I then went to my local bank and deposited all of my coins. The bank tellers made me sort and wrap the coins, but that wasn't a big deal.

During the same bank visit, I exchanged all of my foreign currencies. I previously thought you could only do this at the airport where they charge outrageous fees. It turns out you can do this at all major banks for much more reasonable fees.

I sold all of my gift cards online<sup>3</sup> and closed all but my checking account.

At the time of writing this book, most savings accounts offered in the United States are worse than useless. (The same is true of most other developed countries as well.) The interest rate that they earn is typically less than the applicable rate of inflation which means you are actually losing money every year that your cash sits in those accounts.

Don't ignore that last idea. A "savings" account which offers less than a 1% interest rate loses you money when you realize inflation in many countries is usually more than 1%. For context, at the time of writing, the best savings account publicly available by my major bank in the United States is 0.06%<sup>4</sup>, and the current inflation rate in the United States is 1.5%<sup>5</sup>. This is comparable to robbery!

This mismatch is a mean but profitable trick that the banks are playing on the public. The bank makes money from your savings account but you probably don't.

It did take three evenings to get my personal finance system simplified but the resulting system (one debit card, one credit card, one checking account, and two investing accounts) meant that I had better visibility and thus better control over my expenses. I credit this systematic change to saving me just about as much money as the expenses that I directly cut using the prioritized spreadsheet exercise.

## Automate Good Habits

After you have a clear sense of which of your expenses are actually valuable, as well as having your financial system under control, you can start to automate your good financial habits.

Automating good habits refers to having technology automatically do the work you know you should be doing but probably won't. The prime examples of this in personal finance are with savings, investing, and credit card payments. Instead of leaving it on yourself to remember to save money, have your bank do it for you automatically as an automated transfer. For the majority of big banks, automated transfers are a free service that only require setting up once. Thus, setting up a system that fits your needs can automate good financial habits for the rest of your life.

For me, the order of operations looks like this:

**29th Day Of The Month (Direct Deposit):** My paycheck is deposited. This deposit acts as the fuel for my personal finance system.

**1st Day Of The Month (Automatic Transfer):** My bank transfers \$1,000 to my personal checking account where I can draw on it to pay for normal life non-recurring expenses. Notice that I am intentionally paying myself first. I do this so that my level of financial stress remains low and I have the ability to make necessary purchases to keep my projects moving forward.

**4th Day Of The Month (Automatic Transfer):** My bank transfers the maximum legal amount to my retirement investment account. This is an example of automating my good habits. This transfer happens automatically and is essentially invisible to me as I have already paid myself first.

**4th Day Of The Month (Automatic Transfer):** My bank transfers \$500 to my financial independence investment account. I can only withdraw funds from my retirement account without penalty after age 65 so I use this account to make investments that I can withdraw before that age. This automatic transfer is also an example of automating my good habits as saving for a better future happens without me having to do any additional work.

**5th Day Of The Month (Automatic Payment):** My bank automatically transfers money to pay off my credit card in full. Most big banks offer this feature for free but you need to opt-in to it. I have *all* of my recurring expenses go through my credit card so that I can keep them in a centralized place and so that I can get reward points from these necessary expenses. The payment of my credit card intentionally happens after I have received my paycheck and after I have paid myself. As long as I don't overspend on my credit card, this step prevents me from ever having to worry about needing to pay credit card interest on debt.

Every month these transfers happen without me having

to do anything. My paycheck is automatically deposited into my account and the money automatically trickles into other accounts that automatically perform good actions for me. This happens regardless of where I am located on the planet, and regardless of whether or not I have Internet connection. Now that I have this system in place, it actually would require more work to stop the system that is performing my good habits than it would to just let it run without my intervention in the background. In this way, my money manages itself so that I can use my time on things that are actually important.

Remember, when you spend money, you are really trading the hours you worked to earn that money for whatever it is you are buying. The available hours of your life that you have to trade are always decreasing so make sure your trades are actually worth the exchange.

## **Chapter 3: Time**

Every year, Tony Robbins (author, movie star, and seminar leader) hosts an elite mastermind of some of the world's most successful people at his private island in Fiji. He invites adventurers, world leaders, and billionaires to come to his island and exchange resources and ideas. Although each group can benefit equally from the gathering—every year the latter group—the billionaires—have the fewest showings. While they have effectively solved the problem of money in their lives, they have become slaves to their schedules. They have traded one type of shackle for another.

To a lesser degree this same problem happens in most people's lives. As we grow up and take on more time responsibilities in exchange for money, we lose the time

resources that seemed abundant when we were young.

The source of this "time leak" is time commitments. Be it a full time job or just a hobby, responsibilities soak up our precious waking hours. Individually these decisions make sense. If you love a specific hobby—say tutoring aspiring pinball players—then it does not seem like much of a sacrifice to devote each of your Tuesday evenings to this pursuit. In isolation, this may be a great use of time.

Like many problems, this one only surfaces in the aggregate. A planned activity once a week is not a problem, but seven different activities, each taking place on a different night, become a big time problem. Saying no to any of the activities individually is rough, and saying no in aggregate can feel virtually impossible.

It is for this reason that you need to be ruthless about managing your time commitments. You have goals, family responsibilities, and spiritual journeys that you want to enjoy in your life. Remember that addition is not possible without subtraction. The only way to prioritize the important pursuits is to say no to the less important ones.

Unfortunately, saying no is hard, very hard.

The single best solution I have for this difficult problem is having a well thought-out auto response. This solves the problem and is easier on your conscience than having to think up a new excuse each time someone asks for your time. You can use my script as an example for your own:

*This is uncomfortable but I am actually booked*

*solid with previous commitments at the moment. :-/ I don't like having a schedule like this so I am actively fighting it by not taking on any new commitments right now.*

*That said, feel free to reach out to me again in a month and we can meet up after my schedule calms down.*

*Thanks for your understanding! (This isn't anything personal! Promise!)*

*Best Regards,*

*- Danny*

Depending on the circumstance, you can either speak this script or send it via e-mail. To make this even easier on yourself, create a shortcut in your e-mail program in order to make this happen with only a few keystrokes.

See <https://www.lifelisted.com/min> and look for the tools listed under "Text Expanders" for instructions on how to do this in many common e-mail programs.

## **One Step Blocker**

While the aforementioned technique works well for many engagements, it isn't very effective at combating short term commitments like co-workers asking for meetings. You can't just simply say no to every meeting your co-workers ask you to attend. For these instances I have another technique that I call the One Step Blocker.

When a co-worker or stranger invites me to a meeting that I don't think will be particularly valuable, I respond with a polite request asking them to provide a meeting agenda before I accept the invitation. This simple and reasonable request is almost universally effective.

The vast majority of requesters are too lazy to take the extra step, and end up never re-inviting me to the meeting that would likely have been a waste of my time anyway. For those who do send an agenda, I attend the meeting and everyone involved is better off because there is now an established and thought out agenda for what will be covered. This technique is a rare real life win-win situation for everyone involved.

This habit alone is responsible for freeing up more of my previously wasted work-related time than any other time related habit in this book. It is one of the most powerful habits I know to build and maintain the Minimalist Mindset.

## **Beware Of The Spotted Cat Schedule**

Meetings are not inherently a bad thing. Communication is critical to any pursuit, and meetings are a useful way of exchanging information. That said, they do have downsides. Each meeting, even when it includes an agenda, requires some amount of transition both before and after it takes place. This involves both logistical transitions (getting to the right place) as well as mental transitions (loading up the right information into one's head). This is frequently called the cost of context switching<sup>6</sup>.

The biggest problem with many people's schedules is that they are splattered with random meetings. Their calendars look like the fur patterns of spotted cats. A meeting may only be scheduled to take 30 minutes but many times they require an additional 30 minutes of context transitions. This is absolutely crippling to creative productivity and mental clarity. If one's day is spotted with random meetings, it may become impossible to gather the mental resources to pursue activities that require real creative thought.

I have encountered this problem as both a developer (I am a Rubyist) and as a writer. Many days I was unable to do my job simply because I was stuck spending nearly my entire day transitioning from one low-to-moderately important task to another.

To solve this context switching problem, I now implement a strict meetings-only day each week. With rare exceptions, I only accept meetings (both in-person and phone calls) on Wednesdays. I realize that some meetings

are important so I can't eliminate them entirely; however, I can schedule them for a single day each week to eliminate many of the interruptions in my creative process.

If I run out of meeting spots on a given Wednesday (which happens far too often), I start scheduling meetings for the following Wednesday. The upside to this time management strategy is that it gives me six full days to concentrate on my creative work pursuits every week. As a result, my creative productivity has skyrocketed. The downside to this is that I know I will not have creative times on Wednesdays and thus don't look forward to the middle of the week.

If your work culture or responsibilities make it unfeasible to get meetings down to a single day during the week, do your best to condense them into as few days as possible. Even one meeting-free day can be a great gift to your creative productivity. To do this, schedule full day "blocked" events on your own shared calendar so that your co-workers cannot schedule meetings with you on the given days. This works especially well at big companies where people assume that any free time on someone else's calendar is fair game to schedule a meeting.

Unlike money, time is a resource that slowly but constantly decreases. For many people, this makes it the most valuable resource of all. For that reason, it is incredibly important to prioritize it before it runs out. No one looks back at the end of their life and is happy about how many hours they spent in meetings. Start prioritizing the habit of time management now. Otherwise, you may never have the

opportunity.

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minimalist-mindset/](https://www.lifelisted.com/recommends/minimalist-mindset/)

# Endnotes

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1. You are likely going to see a lot of expenses in these statements and you might not feel great about all of them. This is perfectly normal! When I did this exercise, I saw 15 iTunes purchases of Taylor Swift songs. (T-Swift totally gets me!) That many individual purchases was the equivalent of 3 months of Apple Music, which offers unlimited songs.
2. In this equation 100 is an arbitrary weight.
3. See <https://www.lifelisted.com/min> under the heading "Financial Resources" for the most up-to-date resource for converting gift cards into cash.
4. "Chase Bank Reviews & Ratings," Access Date July 13, 2016, <https://www.nerdwallet.com/banking/banks-credit-unions/chase>
5. "US Inflation Gains in September," US Inflation Calculator, published October 18, 2016, accessed July 13, 2016 <http://www.usinflationcalculator.com/inflation/us-inflation-gains-in-september-annual-rate-near-2-year-high/10002085/>
6. "Quantifying the Cost of Context Switch," Chuanpeng Li, Chen Ding, and Kai Shen, accessed July 13, 2016, <http://www.cs.rochester.edu/u/cli/research/switch.pdf>