



by Sandra Bienkowski



Jean Chatzky was a fact-checker

and reporter for *Forbes* when she got a job offer from startup *SmartMoney*. She was at a crossroads. Her job at well-established *Forbes* was difficult to land, and she was doing well. At *SmartMoney*, she'd have to prove herself, and there were no guarantees. But she could do what she loved—write all the time, not fact-check for others. And telling stories about people and money was her passion.

Although a parade of people came into her office telling her not to do it, she listened to her heart and made the move. Today, as the financial advisor to millions, she thinks it's the best career move she ever made.

Chatzky, 46, believes listening to her intuition and following her passion created opportunities and opened her mind to entrepreneurial pursuits. Now, she's an award-winning journalist, author of six books, financial editor of NBC's *Today* show, editor-at-large for *Money* magazine and host of a daily show on Oprah Radio.

Roadmap to Wealth

Jean Chatzky shows how to take control of your money.

With 20 years of personal-finance experience, her philosophy is simple. “If you want to own your own life, you have to own your money,” Chatzky says. “That means, earn a decent living, spend less than you make, invest the money you don’t spend, and protect everything you have built.” She believes by taking charge of your finances, you will take charge of your life. But, like many people, she learned the hard way.

“I came around to helping people manage their money as I learned about managing my own.” Early on, Chatzky spent more than she made. She had credit card debt with a high interest rate. She blew her first opportunity for a 401k because she didn’t understand how it was supposed to work.

She used her knowledge to help people tackle “an epidemic with a devastating impact—overwhelming debt,” Chatzky says. “I think my skill is being able to communicate complicated information in an uncomplicated way without dumbing it down.”

Managing Your Money

She offers practical advice on how to dig out of debt and build wealth in her books, including *New York Times* Best-Sellers *Pay It Down: From Debt to Wealth on \$10 a Day* and *Make Money, Not Excuses*.

“People are living paycheck to paycheck because they are not bothering to pay attention to what they have coming in and how much they have going out and where it is going,” Chatzky says. “It’s a lack of discipline.”

Reducing debt is essential to being in control of your money, Chatzky says. She believes everyone can find an extra \$10 a day in their budgets to reduce debt, and she offers numerous ways to do it—from little decisions like skipping the popcorn at a movie to bigger ones like refinancing your car loan. She provides actionable steps for people who “need to go on a debt diet,” such as tracking spending, using a debit card as your plastic of choice, using only one credit card for emergencies, sticking to a shopping list, paying bills as they come in, managing your credit score, and visiting the ATM only once a week and dividing that cash by seven so you only carry a set amount each day of the week.

“I truly believe that we all, if we take a little more time, have the ability to be good managers of our money. It doesn’t mean we are



Four Habits of the WEALTHY

by Jean Chatzky

• WORK hard.

• The wealthy work harder—and sleep less—than other people. They are more likely to mix work with their downtime, sacrificing personal time for professional success. But because they tend to be passionate about what they do, it’s less likely that they see it as a chore.

• SAVE habitually.

• Wealthy people certainly have the funds to be crazy spenders, but most are not. In fact, some seven out of 10 say that saving more money has been an absolutely essential financial goal as an adult. They typically pay off their full credit card balance each month.

• INVEST soundly and aggressively.

• The wealthy are more likely to invest in stocks and mutual funds. They understand the need to take risks in the market in order to make their money work as hard as they do. They are also more likely to invest in real estate (above and beyond owning their own homes).

• GIVE back.

• The wealthy are grateful and they show it by giving back to their communities, to organizations they believe in, and to people they care about.

• Excerpt from *The Difference* by Jean Chatzky, with permission from Crown Publishing, a division of Random House. — Exact wording will change upon permissions

10 Questions to Pinpoint Your Passions

by Jean Chatzky

In a nutshell, here’s what we know: People who are passionate about what they do reach financial comfort and wealth more often than those who are not. Asking yourself these questions can help you figure out your passion.

1. If money were not an issue, what would you be doing with your life?
2. When you go to the magazine racks or the library, what do you like to read about? Alternately, what do you find yourself searching for on the Internet?
3. Think about the last few times you said to yourself: “I’d like to do that sometime.” What was “that”?
4. What do other people say you do particularly well?
5. Think back to how you felt when you were 10 or 12, and try to remember how it felt to be really excited about the possibility of doing something. What could you do today that might make you feel the same way?
6. What do you secretly dream about doing?
7. What are the things you like about what you are doing right now? (They can be small, but you have to name several of them.)
8. What do you think you do particularly well? (These things do not have to be work related.)
9. How do you feel you contribute or could contribute to society?
10. What do you want your children or friends to say about you when you’re gone?

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all going to be out there day trading or buying complicated hedge funds,” Chatzky says. “There’s no magic to this; people need good habits.”

For her 2009 book, *The Difference: How Anyone Can Prosper in Even the Toughest Times*, Chatzky studied the habits and traits of the wealthy. She discovered that people who build wealth “tend to be more passionate about what they do. They are visionaries—able to see things in an improved way, if not a new way altogether,” she says. “They are goal setters who take risks, listen to their intuition and are always on a quest to learn something new.”

Adopting a Prosperity Mindset

Wealthy people also have three behaviors in common: “the discipline of habitual savings, investing and always having a plan,” she says. “Want to buy a house? Plan. Want to send a kid to college? Plan. Decide and plan what you are going to do, instead of defaulting into it. People who do plan, actually get where they are going.”

Other traits of the wealthy she found in her research are happiness, optimism and resilience. While happiness is about today, optimism is about having a positive outlook, and the wealthy have it. “With a positive outlook, people are more likely to pick themselves back up in tough times. Optimism is closely tied to resilience, and resilient people focus on the things they have control over.”

In other words, Chatzky says, “focus on yourself—not other people—and let other things go.” And if you aren’t a naturally resilient person, she says research shows it’s a skill you can learn by identifying what you can control, taking action to solve a problem instead of ignoring it, and emphasizing the positive.

While the wealthy are happy, they aren’t too happy. “On a happiness scale of one to 10, you want to be about an eight,” Chatzky says.

“Mildly happy people are strivers, interested in making the kind of changes to get ahead. But people who are too blissed out don’t do the very important basic financial measures to take care of themselves. They don’t have emergency cushions because they don’t think there’s ever going to be an emergency.”

Taking control of your finances is about knowing when your behavior isn’t working, Chatzky says. “Changing behavior is hard and you have to be ready.

If you are not quite there yet, it will help you to get ready so when you do finally pull the trigger, you will be successful.” **S**

