

David: So I'm here with Adam Baker, who you probably know as the face behind *Man vs. Debt*, and Adam's got an exciting announcement. This week he's launching his *You vs. Debt* course, which is a six-week daily video course to help you change your financial behaviors and get you out of debt. So Adam, thanks for spending some time with me tonight.

Baker: No problem, thanks for having me on for a chat, I really appreciate it.

David: Yeah, absolutely. So last week you posted on your blog a sample video from the course. Maybe just for those who haven't seen it yet, tell me a little bit about that video that you posted and why you chose it.

Baker: Sure, there's actually a couple of videos that got posted, I think the one that you're referring to picked up on day four of the course. So what I did is I just posted a sample video as I wanted people to see the real types of videos that will be involved and the real types of worksheets that we have on a daily basis in the course. So the one that talks about crafting your environment to support habit change, So week one of the class, of the course, we take the whole week to talk about how you go about habit change. And we use the motif or metaphor from the book *Switch*, it's a great book. If you haven't checked it out, David, I strongly suggest that you read *Switch*, it's by Chip and Dan Heath. And in it it describes how to go about habit change, on what they call the Rider, the Elephant, and the Path.

Really quickly, the rider rides this big elephant through the jungle. The rider is our logical brain, it's a small part of the equation but it's important because it kind of guides the elephant. And the elephant in the metaphor is the emotional side of the brain. It's the big bear that's gonna get us through the jungle, but it's the part that most of us leave out when we go about habit changes. And then the path is sort of the path that runs through the jungle. So their advice when going through the path, their advice for going through the path is to shape the path to make it easier for the rider and the elephant to get through the jungle.

And what they mean by that is you craft your environment, your surroundings, the people that in your life, events, the environment, your activities, your daily activities, if you change those and craft those, if you have the change that you're trying to live in your life whether that's, finance, or quite smoking or whatever, it's much easier. So the video on day four, we are talking about environment

and how to change that to make a financial turnaround, does that make sense?

David: It does, yeah. And why I picked up on that particular video is I really love the idea, as I've written about and studied personal finance, gone through my own transformation of paying off debt and starting to save, and going from being a spender to a saver. Behavior change has been huge for me, and learning about it, I wouldn't have been successful doing it if I wasn't able to do the things you're talking about – shaping my environment, taking things that used to be triggers to spend money and removing them from my life. So I really love that idea.

And what I'm interested in talking about today is a little bit about what you learned in researching this about shaping your environment. Whether it's paying off debt, or like you said, whether it's quitting smoking, or exercising more, what are a few of the tools or tricks that you've come across that people can use to kind of change their environment and make it more conducive to change their habits for the better.

Baker: I really love this metaphor from the book *Switch*, and that's what I come back to several days of the course here in the first week, I center the whole thing around it, because for me, I always started off making it a logic battle. I was like, "I'm going to lose weight, so here's what I'm going to do. I'm going to exercise every day, I'm going to never eat fast food again. I'm going to never have junk food. This is going to be exactly what I eat – I'm only going to eat these specific things." And I make it very, what I would call logical. "If I do these, I get this result." And that's how many of us start, it's where I always used to start, and I realized that's why I always fail.

So as they say in the book, I tried to force the elephant with all of my energy. And you can fight that elephant, you can guide that elephant through the jungle, in their metaphor, but you can only do it for so long by force. Eventually you tire and you wear out and you get exhausted and you fail. And it manifests itself as laziness. I think they even said that in the book as well. People appear lazy when sometimes they're just so exhausted because they're trying to fight their logical brain and take full responsibility for change.

So your question to me was, what were some tips and breakthroughs for me, and that was realizing how big of a role the elephant played in the situation. And again, the elephant is the emotional side of your mind. How big of a role motivation in

people and like a reward system, you know what I mean? It's celebrating and being friggin' happy. How much does all of that play in to key the habit change.

So, for example, I'm certainly not a fitness expert, but I've been able to lose some weight recently, and the entire breakthrough has come by allowing myself to follow a strict plan, because that's what my logical brain needs. But I also allow myself to the time for emotional reasons. I got to the bottom of really why I wanted to change.

One of the reasons I really want to change is because I'm going to be doing more speaking, and I don't want to look like a fat slob when I'm on stage speaking, right? I want to change habits so that I can be healthier and live longer, right? But that's not the real reason. That's not the real motivation behind me. So as I started to dig deeper, I realized the real reasons I was motivated... I'm not motivated to pick up chicks, because I've already picked up the one chick, I'm married, right? I want to look good for my wife, but I'm not in that stage where I just have to stare at myself in the mirror, that's not going to motivate me either at this point in my life.

But looking and feeling healthy and appearing good on stage, being able to talk in front of people without feeling embarrassed, that does affect me right now. And I've realized this, and I've played into it, and I started celebrating small wins. I have my cheat days once a week, which is part of the actual diet plan that I use. Like I allow myself the ability to cheat without allowing myself to feel guilty about it. And there's still a structure for that, but some of these breakthroughs haven't really helped me. It all comes back to playing into the emotional side of my brain.

And the other side of that is environment. So I've removed all the junk food... If I have cheat day, if there's any food left from a cheat day, I throw it away or I get rid of it, or I give it to someone and say, "Make sure you eat this ice cream." It's not going to be in the house the other six days of the week, and that's environment. All the junk food's out. You don't have leftover pizza in the refrigerator. I either eat it or give it away or give it to somebody but just get it out of the house and don't order extra food so you don't have that left over.

With your finances it's the exact same way. For me, I needed to stop gambling. That was a big thing for me, so I just quit, I ended up going cold turkey, and one of the reasons for that is because the

financial impact it was having, I removed negative people from that part of my life.

My father, for example, is a great inspiration on my life. He's very, very supportive, but he wasn't someone that was going to necessarily celebrate me paying off a credit card. That's not his style, that's okay. So if I called him up and said, "Dad, I paid off a credit card." He just wasn't going to be, like, "Oh, okay, that's neat," he wasn't on board. So I've got people in my life that I filled them in on it that were going to be like, "That's awesome, keep going!" I plugged into the financial blogs, I plugged into the financial community, and my wife and I both get excited and we celebrate this stuff. All of that environment is emotional and it's helping us change, and that was a really vital thing for me when we were first going through it.

David: Yeah, I can imagine. That's a really good point about having people on your side that can understand and celebrate with you for financial victories. Because, for one, it's something that so many people don't talk about. So many people are ashamed of being in credit card debt that they're not going out to their family or their friends, certainly, and being like, "Oh, well, I'm in so much credit card debt and I just paid one off." But you can seek those people out, especially now with so many personal finance blogs out there, and get a community. That's a great point.

And I actually had something similar. One of the big things holding me back from getting out of debt was gambling as well, and one of the things that simply was probably one of the biggest factors in being able to finally get out of debt was moving away from the casinos that I used to go to. I got so far away that it was no longer practical to just go down for a day. And that was a huge, because my environment changed, I couldn't go, and for all the times I tried to cut back or stop going, that didn't work.

Baker: _____ because somebody might say, "Oh, you're being ridiculous, just be grown up and stop going." Well...

David: It doesn't work that way.

Baker: It doesn't work that way. And even if it does, that's will power. That's the rider trying to strangle the elephant, trying to get the elephant, "No, you can't go this way, you can't go this way, you can't go through there, or you're going to break." But if you initiate the path, the path no longer goes by the casino in this case, then you don't have to fight the elephant, because the elephant no

longer wants to go in that direction.

So that's a perfect example of how someone can look at it in sort of a _____ that situation. People that make fun of that or don't understand are oftentimes the people who don't have a _____ of their own. That's just a sheer fact. Because most people who have gone through it will understand the power of environment and the power of tapping into your emotional mind as well. I find that the people in my community are people that really have that left brain in common, and that's why I'm so excited about the topic.

David: Yeah, it's really cool. Like I've said again and again, my own experience with habit change has proven that out. That's why I love the idea so much.

I want to come back to something you said a few minute ago that I found really interesting, in that in the diet you're on now, you have these cheat days.

Baker: Well let's go ahead, that's *The Four Hour Body* by Tim Ferris.

Daivd: Thanks for saying that, I figured that's what it was, but I wasn't positive. And I think that idea makes so much sense, because dieting is all about deprivation. You're not allowing yourself the things you usually do. Of course, all good foods, we all crave them all day, and we want more of them. And then all of a sudden you're not able to eat them. But with this diet, once a week you can eat anything you want and just go crazy, which gets you through the rest of the week, right?

Baker: It makes you sick.

David: I'm sure it does.

Baker: There's a psychological effect to that. _____ and you're like, wow, you just realize I still eat the ice cream, and . It sucks, so for at least three or four days you don't want ice cream because you feel like crap. And then by the time you do want ice cream, because we all have short memories, by the time you do want ice cream it's only two or three more days to wait, and most of us have the will power to do that, you know what I mean? So in that two day _____ we can wait for ice cream. But changing the other few days moving away from the pain of how bad we felt, we don't want ice cream, because your eating habits have fundamentally changed, and now you're just spiking it with ice cream, rather than having ice cream every other day as a treat because you're stressed

out. I just love that about it.

Tim argued that there's a physical benefit as well, just spiking your metabolism and your body in different ways. I realize it's not a very good argument for this, but I think it's 90 percent psychological, at least for me, the benefit is psychological, and I just love that, I tap into that all day.

David: Absolutely. I'm curious if you've given any thought to how you can apply that kind of cheat principle, if you will, to getting out of debt or making financial changes?

Baker: Really, I haven't, in terms of like, "Oh, on Saturday you can spend as much money as you want."

David: Obviously that's not going to work, right?

Baker: In the last week, week six of the course, we talk about how it's all about making it stick. So the first week is all about mindset, and the last week is all about how to make the changes stick. So that means in between is all the juicy number crunching and stuff. But the important parts, the sandwiches of the course, are motivation and mindset. And one of the lessons is called, "You are going to fail." It's just point blank, you're going to fail, you're going to have bad things, you're going to have troubles, and it's how to overcome that. And one of the first tests is just letting go. Don't feel guilty.

And when we track our spending in the course I talk about one of the rules is don't miss a day no matter what. At the end of the day, try to do your best to remember what you spent. But the rule right after that is and if you do miss a day, let it go. The point is, don't let one day derail your progress. I preach that a lot. And in one way that's very similar to cheating. Do this, accept this. Almost set yourself up to fail. That's sort of what a cheat day is. You're going to fail anyway. No one's going to be 100 percent, so let's plan for it. And in that way your _____ finances does have some similarities, does that make sense?

David: It does, it does. One last question on the kind of idea of shaping your path. You talk in that sample video about changing the people that you're with and not getting rid of but not associating with, or taking a break from people that are going to kind of hinder your path out of debt, and finding people that will help you get out of debt and be supportive of that. What other things have you found? How else might people change their environments? We

talked about moving away from the casino, that's not going to apply to everybody, but how can you remove things from your environment that trigger you to spend? What are some other examples of that?

Baker:

First of all, there are environments. That's the casino, that's the mall, that's Amazon.com, that's whatever – you've got to identify those environments. Another part of it is just your daily habits, where you go and what you do. We don't talk a lot about daily habits in the particular video you're talking about because the entire course framework is set up to slowly change your daily habits, or how you mainly spend your time and what you regularly do, your regular actions, your make-up, who you are. It's not what you do every Sunday that counts; it's what you do on a daily basis that counts. So changing those fundamental daily habits. But it's impossible for me to say, "Oh, David, just change your daily habits." That's a process that happens over weeks and weeks and months and months of possible changes.

But what you can affect is the people, and you brought that up, because we talked a little bit about you're not celebrating with those people. You need to be scientific almost about the people that you people you surround yourself with. So we talk about the three levels of passion. And we talk about having our mentors, people we look up to, or sometimes that is a force. When we were first getting out of debt we took Dave Ramsey's Financial Peace University. We enjoyed that course, and we enjoyed Dave Ramsey's influence. When I first started my journey, I looked up to Dave Ramsey's and his courses, his produces as well as some other people in our lives that we knew were positive. I hope that through our blogs and you as well, there are some people that look up to and I'm very proud of being in that position. But I also have people from my community, these are other people that are just peers that I look up to, so it's kind of a give and take.

But the middle level is peers. So these are people that are in the same position as you that you've got to put your arms around. So if you have this debt and you're really trying to find a family down the street in the exact same boat or a family across the country but you're in the same forums or blogs together. These are your peers and it's really important to identify other people that you can lean on, that will sit with you in _____ and go through this process with you.

And the third level, most people leave this stuff out, is the people that they can bring up with them. This is a very powerful

motivator for a lot of people, especially you and I, being parents, so changing our kids' lives is a big one. Sometimes it's taking care of a parent that has to move back in. There is a big generation is going through that now is the parents moving back into the house. Other times it's my sister or my brother or my best friend, and I can be an example for these people if I change my life. A lot of times it's hard for us when we're in the trenches to think about inspiring others, but that's really been a big motivator. As we start making a little bit of progress we start seeing how we can actually leverage this for good in other people's lives.

So if we're being honest with ourselves, this is one of the big reasons why we started to really undergo serious change, because we wanted to be like a positive shining light for other people that we cared about. We wanted to show them that you don't always have to have a car payment, you don't always have to have a house payment. You may in the short term, but these are not just fundamental principles that you can have, this is different. That is, that it's not for any _____. To this day that's a big motivator for us, obviously it's a big reason for me doing what I'm doing, and I have a feeling it's probably the same for you but I won't speak for you

But anyway, there's those three levels of mentors, peers, and people that you lift up. So in the worksheet in that sample video, we make lists, we write down names. Who are the peers, who are the people to lift up who are the people you look up to. On the other side you put the people that won't celebrate with you, and we talked about that today. What are the environments that you spend most in. What environments do you feel the most alive in? What environments make you feel really powerful and you control. And by identifying these, and taking steps to move towards the positive and remove the negative, that's really the gist of that particular lesson you're talking about.

David: Those are all some really great ideas. I love the concept of surrounding yourself both with mentors and peers and using those people's energy to help you, and the environment change, it's all really good stuff. I kind of wish I'd had it when I was learning to get out of debt. It probably would have helped me find some of the things I learned in several years of painfully struggling and failing a little bit sooner.

Baker: It goes for everything, starting a business, stopping smoking, same thing. These are fundamental environment changes you can use for anything. Debt and finances is just a really big one for most

people, and a really powerful one. But I use this with everything now. Everything that I do, I wanna learn to play the harmonica, the same principle applies surround yourself with great music find a mentor, who else can learn it with you, all that kind of stuff applies to how large or small the scale is, at least in my life.

David: It's a great method, and like you said, you can apply it to everything. I think it's *the* thing to learn, if you learn nothing else for the rest of your life, learn how to do this and you'll be all set.

Baker: Surround yourself with passionate people.

David: Yes, exactly. Well, Baker, thank you so much for taking this time with me tonight. The course is You vs. Debt, and it's only available this week, right?

Baker: Yes, this week. We have a registration that's open for a couple days, and the whole class starts on the same day, the Monday after registration closes. So we'll start all together on the same page, you'll go through it with hundreds of other people, there are over a hundred other people that are going to be in this course. And we'll go Day 1, Day 2, and every one of those together. So we have registration for a week and then the class starts the Monday after that. It's going to be really exciting to go through it with a fresh group of people.

David: That's great. I look forward to seeing how it works out for everybody involved, and it's youvsdebt.com.

Baker: That's right.

David: That's great, thank you, Baker.

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