

# **Psychology & the Cashless Economy**

**The unchanging nature of personal economics**

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Portland, ME 2019**

# Agenda

## Part 1

- **What's Changing**
  - The psychology of going cashless
- **What's Unchanging**
  - Psychology
  - Economics
  - Personal Economics

## Part 2

- **Making it Personal**
  - Your Personal Economy
  - Your stories

# Agenda

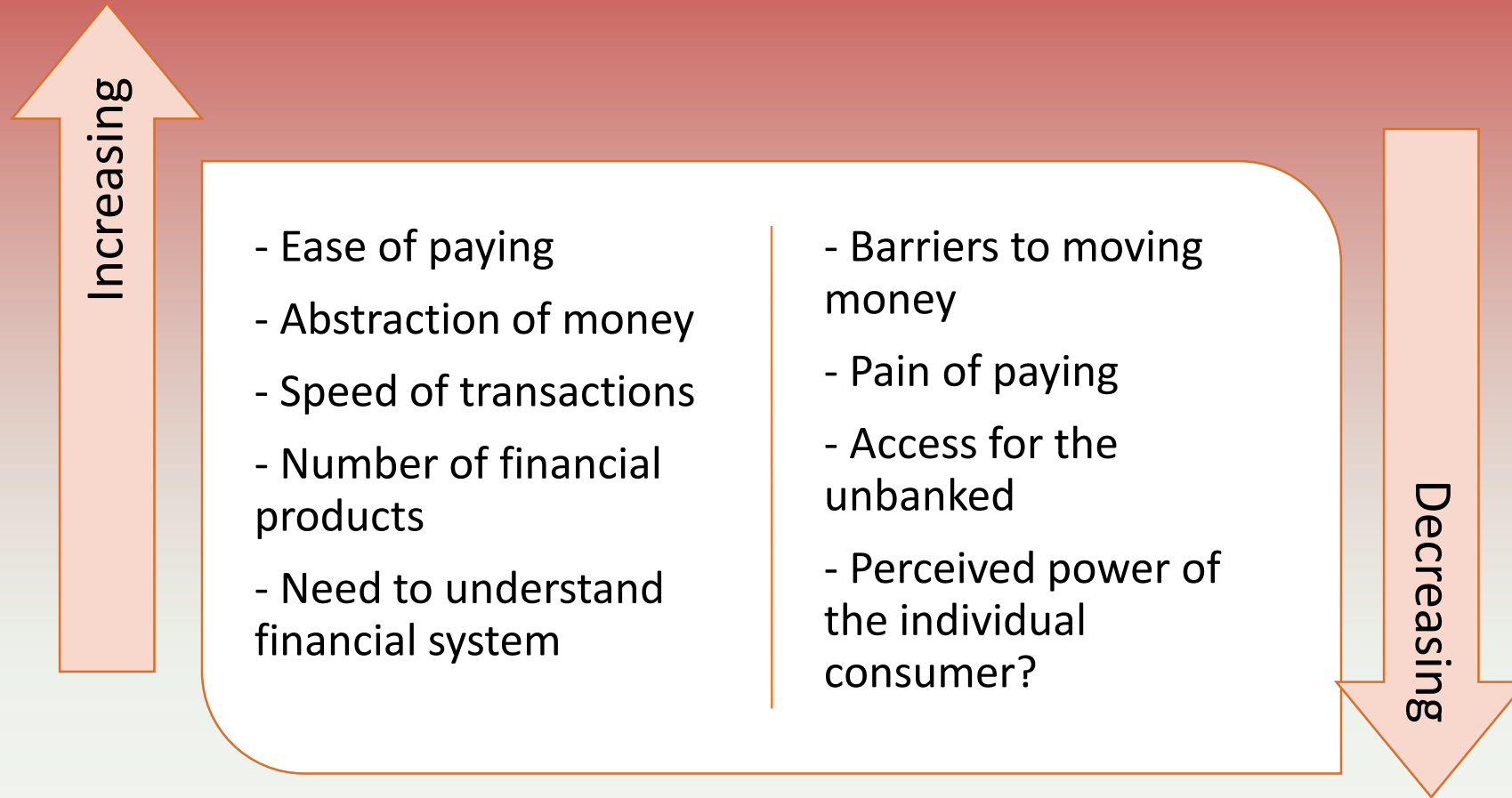
## Part 1

- **What's Changing**
  - The psychology of going cashless
  - Who pays the price?
- **What's Unchanging**
  - Psychology
  - Economics
  - Personal Economics

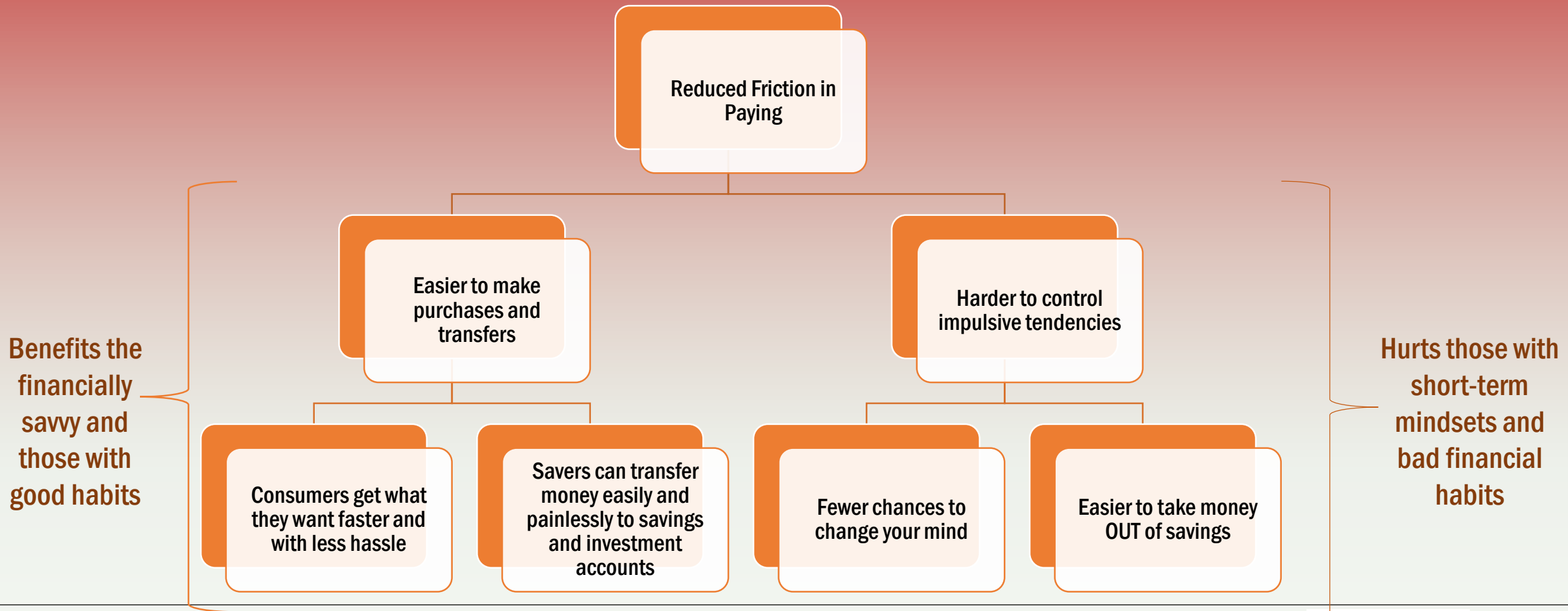
## Part 2

- **Making it Personal**
  - Your Personal Economy
  - Your stories

# What's Changing



# Who Pays the Price?



# Agenda

## Part 1

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## Part 2

- **Making it Personal**
  - Your Personal Economy
  - Your stories

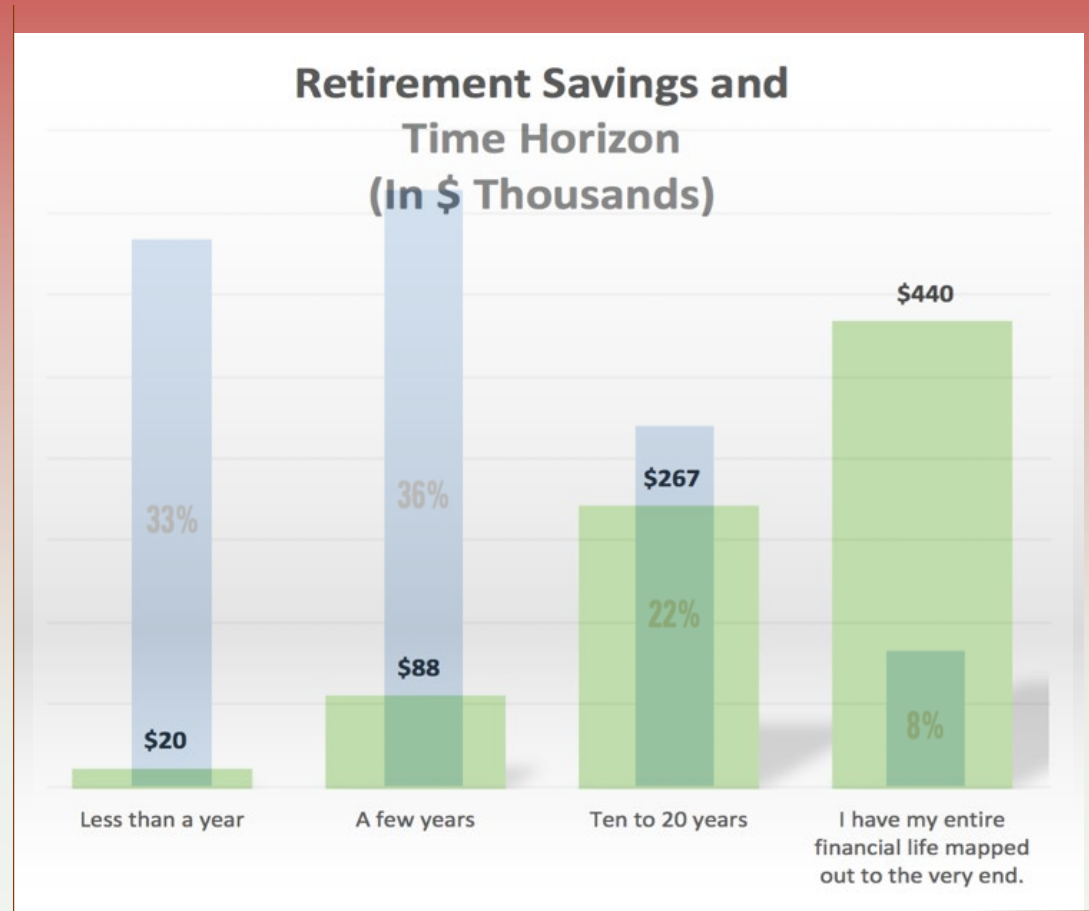
# What's Unchanging

## Psychology

- Long & short-term mindsets
- Perceived power
- Simple rules of thumb

# What's Unchanging: Psychology

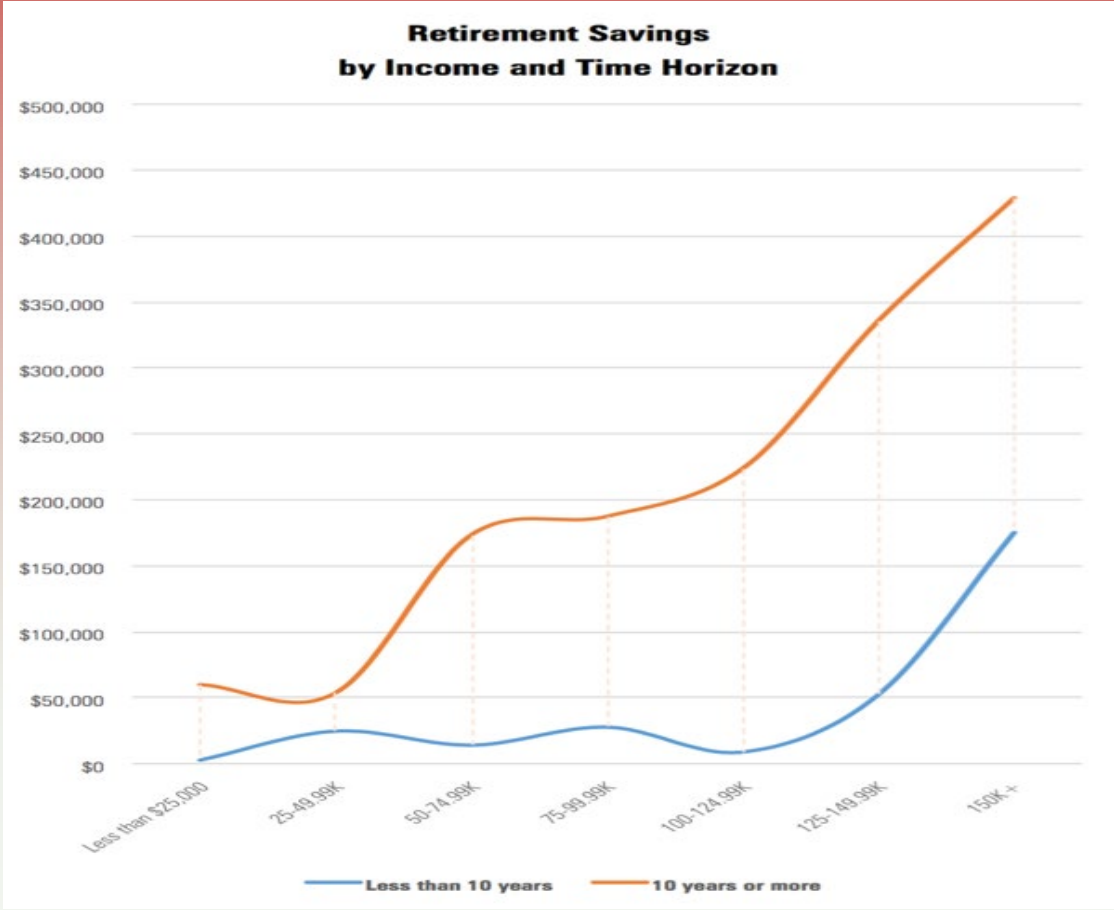
Money saved



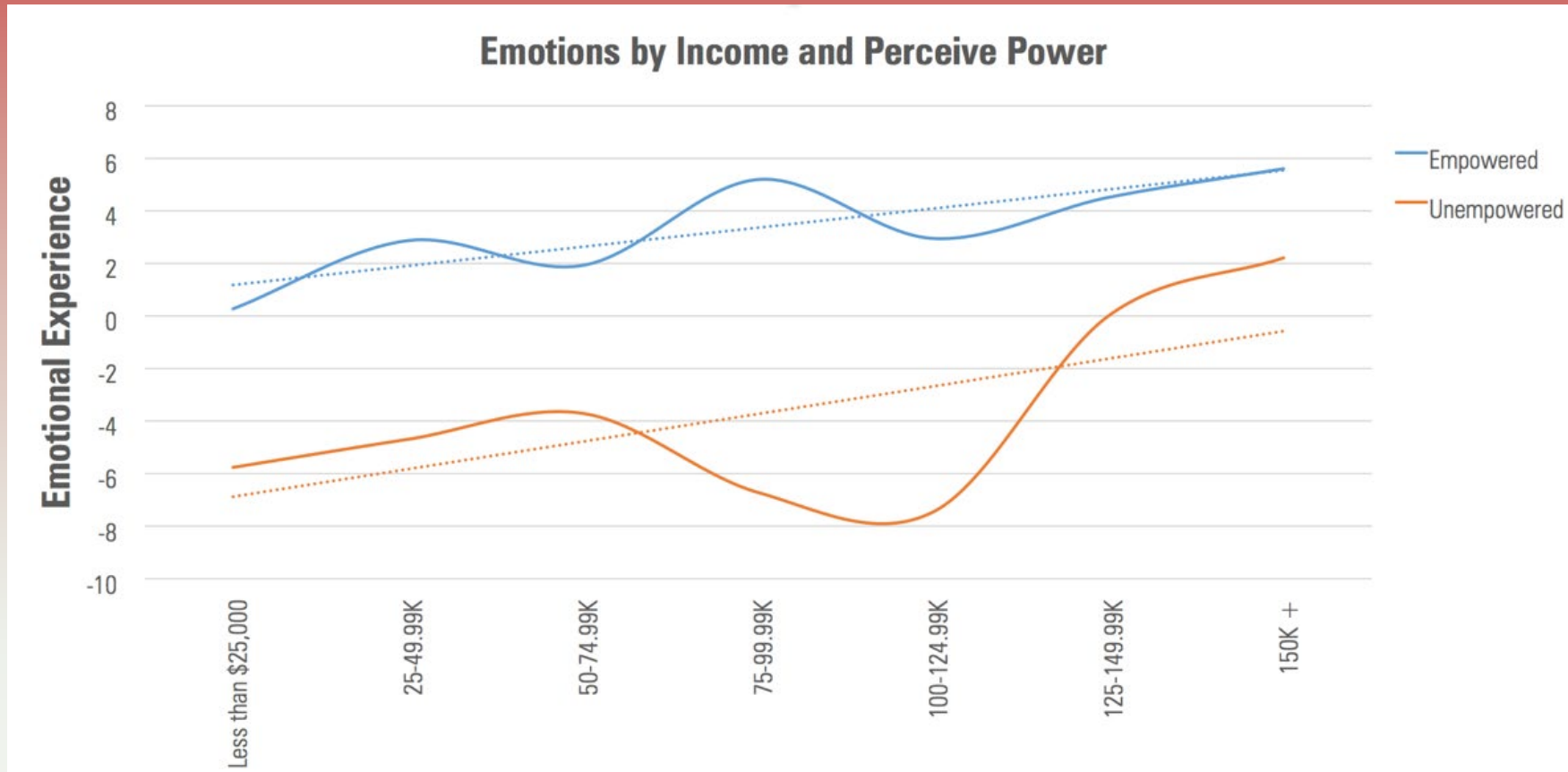
How far ahead do you think?



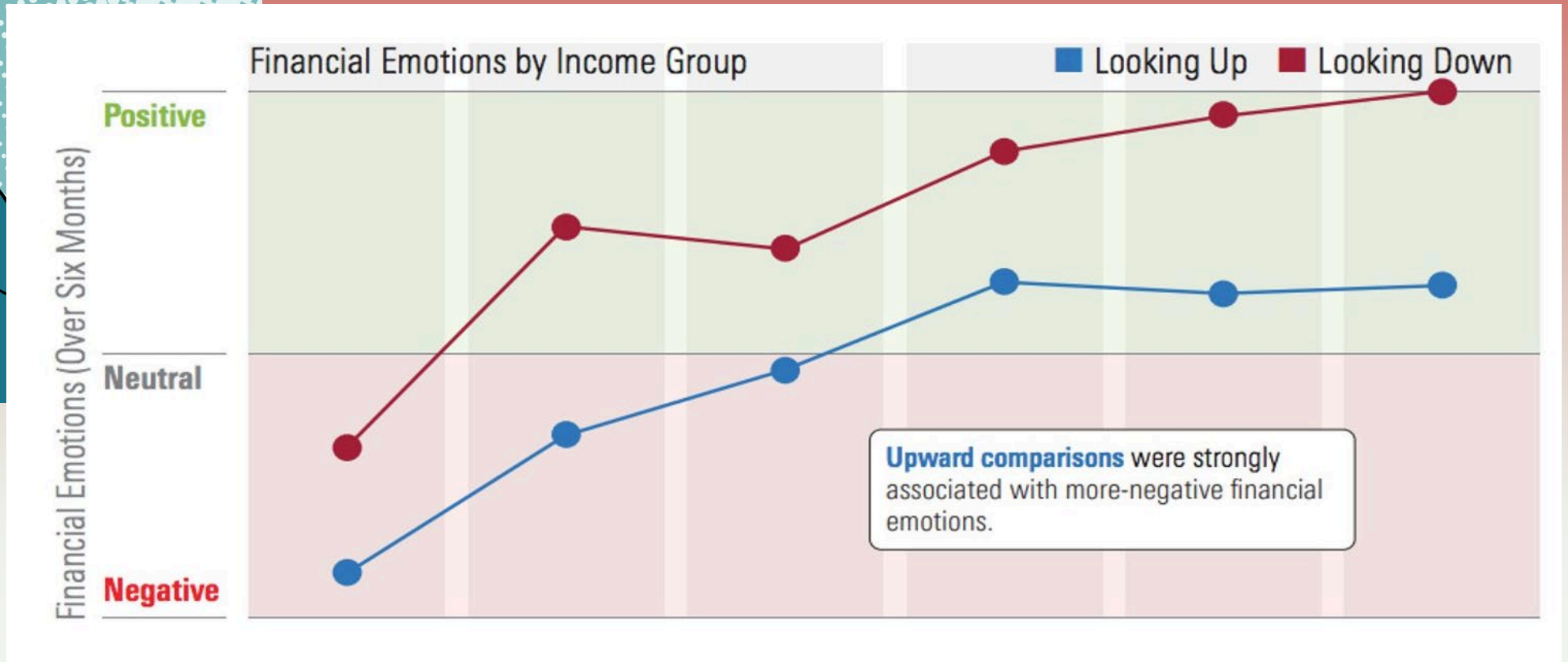
# What's Unchanging: Psychology



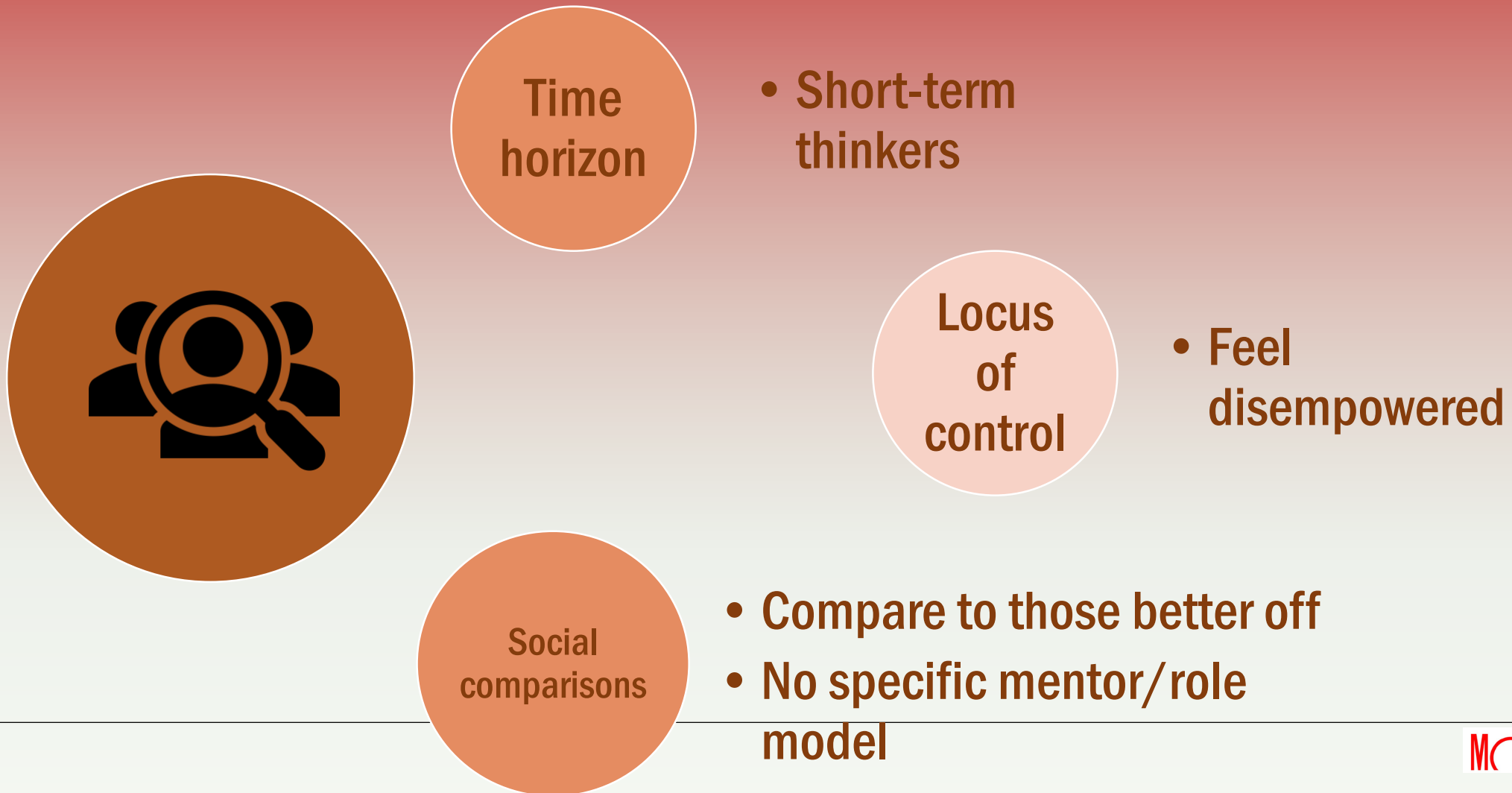
# What's Unchanging: Psychology



# What's Unchanging: Psychology



# What's Unchanging: Psychology



# What's Unchanging: Psychology

## Group 1

Basic business  
accounting course

## Group 2

Rules of thumb for  
business accounting

The next year...

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## Group 1

No change in  
accounting practices

## Group 2

Significant improvement in  
accounting practices

# What's Unchanging: Economics

## Factors of Production

Labor

Land

Capital

## Financial Freedom

~~Labor~~

Land

Capital

# Blending Psychology with Economics



# Rules of Thumb for Personal Economics

## Income Sources

Labor

- Salary
- Side hustles
- Social Security
- Child support

Land

- Rents
- Appreciation
- Development

Capital

- Interest
- Appreciation
- Dividends
- Rents/sales

## Expense Categories

Past

- Loans
- Credit cards
- Payment plans

Present

- Fixed
- Discretionary

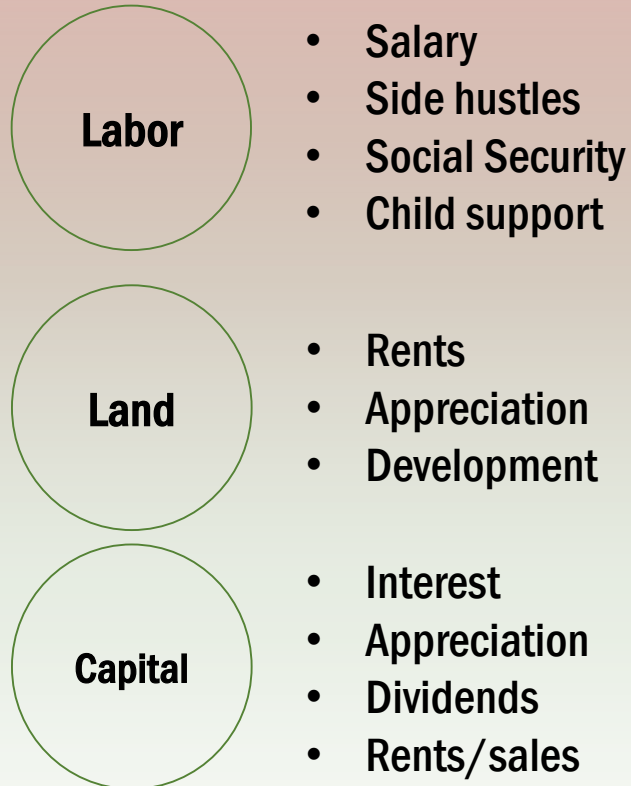
Future

- Savings
- Investments



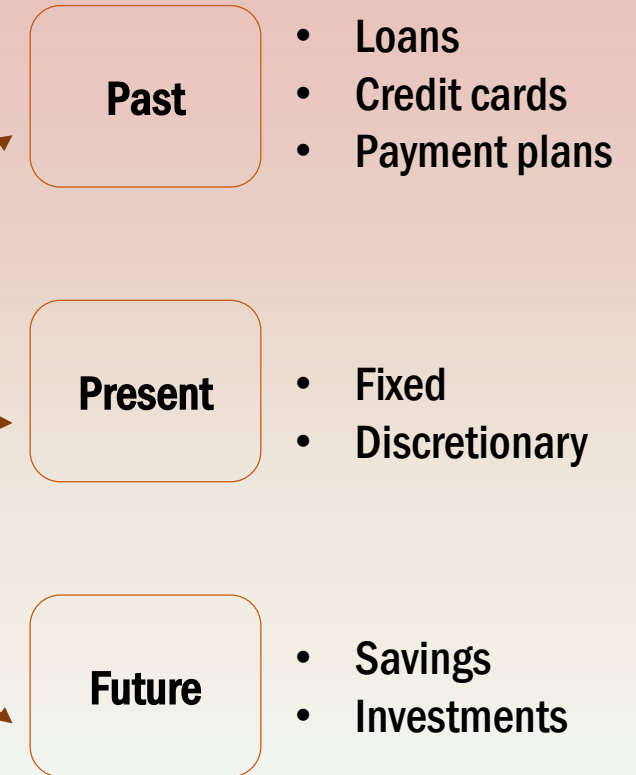
# Rules of Thumb for Personal Economics

## Income Sources

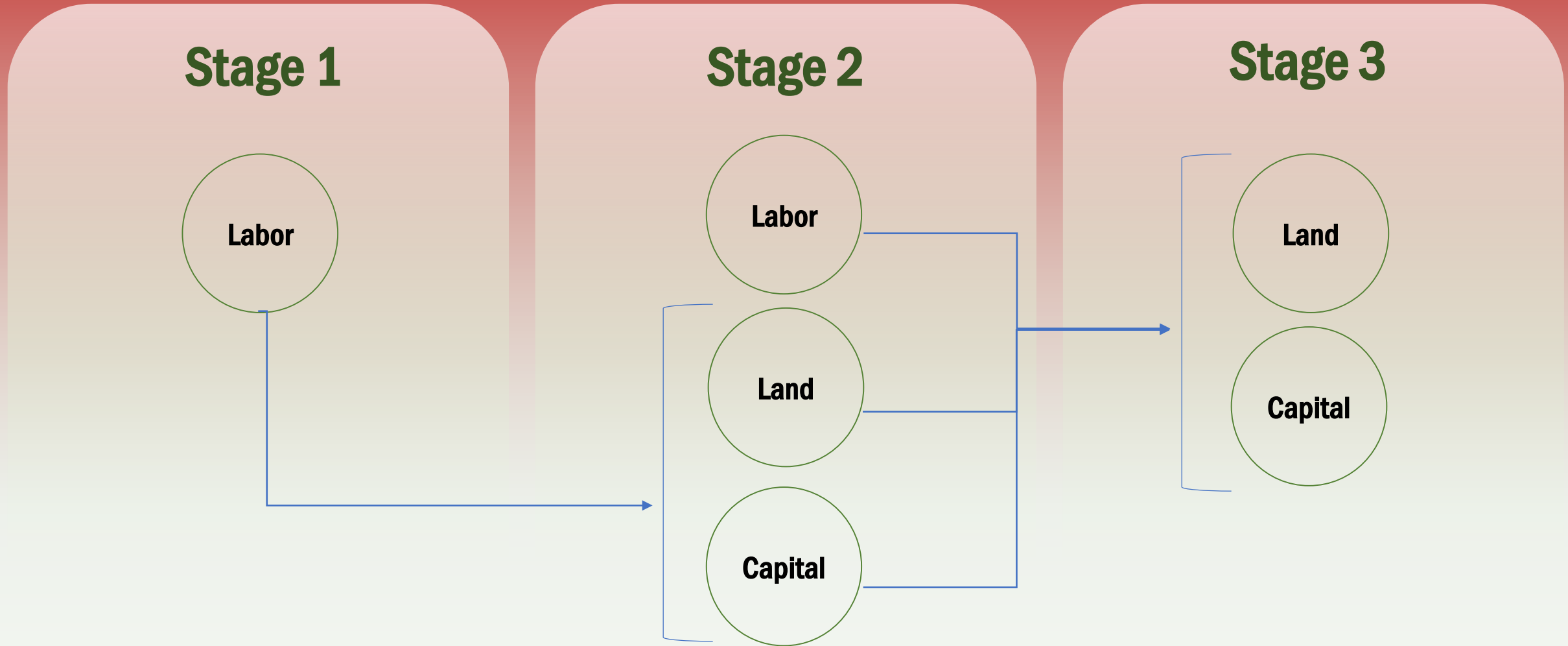


**Total  
Income**

## Expense Categories



# Personal Economics – The path to freedom



# Personal Economics – The path to freedom

**Simple – easy to remember in 10, 20, 30 years**

**Short-term thinkers are forewarned by what STAGE they are in**

**Focuses on freedom, not retirement**

**Draws attention to debt and savings in a fresh way**

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- **What's Unchanging**
  - The factors of production
  - The path to financial freedom

## Part 2

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# Part 2

