

# 5 COURAGEOUS STEPS

TO TRANSFORM  
YOUR ECONOMY

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YOU'VE GROWN DISGUSTED WITH LISTS OF URGENT TASKS, AND SO HAVE I. They promise to solve everything but waste your time instead.

*That is why these five courageous steps are **not** more tasks but descriptions of a growth process that will help you focus on important issues, eliminate demands, develop decision-making clarity, reduce anxiety and confusion, and fortify your important values.*

These steps provide a framework to help you embrace *your* truth, rather than buy someone else's, and move forward in a simple, substantive, confident way. As you read, you can breathe, concentrate, and stop being distracted by all the fantasies and band-aids others are offering to make a buck off your desire for solutions.

I'm going to provide something better than "the answer" or feel-good checklists. I am going to explain a simple process of getting real with any issue or question you face, so the answers you come up with will not only be grounded in your authentic concerns but will address your reality.

I will briefly explain and then apply these steps to current economic issues, but you can apply them to any area in your life.

There is no time to waste. Let's get started. What are the five steps and how do you apply them?

"Nail the issue/ pierce the fantasy"

"Get real about consequences/ anticipate the trends"

"Stop feeding the beast/ act on your deeper values and sense"

"Confront your habits/ transform your character"

"Liberate yourself/ get proactive"

## STEP #1: “NAIL THE ISSUE/ PIERCE THE FANTASY”

*This means asking, “What’s going on, really?” and consciously pursuing the truth.*

This is rarely easy, because first you must overcome your desire *not* to know. Additionally, information you receive, even from “experts,” often reflects their fantasies and interests and not the core underlying issues.

Sorting wish from fact, and reliable information from hype, is a key skill in this step. (*Transforming Economy: From Corrupted Capitalism to Connected Communities* is built on this premise.)

Don’t get sucked in. Selective statistics, bobble-head “experts”, and relentlessly rosy government officials will almost always protect the status quo and hide fundamental problems. Expect it!

How many times did you hear, “The housing market has reached a bottom? Now is a good time to buy!” or “Economic indicators say the recession has ended” even while unemployment remains near record highs.

Trust evidence over words. It’s not “just you” struggling financially. Why do statisticians, experts, and officials lie or tell only part of the story? Because their “success” comes from making things appear pleasant to your perception, not from being truthful about your reality.

*Examine motive. Look at underlying factors. Don't allow your need to be comforted get in the way of being fully responsible and informed. Are you going to bow to optimistic cheerleaders and your own insecurity or heed your deeper know-how?*

In this step, dedication to fundamentals must win out over fear and greed. For instance, when people said during the housing bubble, “If you don’t buy now, you won’t be able to afford it,” or, “Housing only goes up; you’re missing out!,” they were appealing to fear and greed. Look instead at the key financial factors:

“When matched against the reality of people paying ten times their salary for houses that actually added more money owed to their mortgage principal (i.e. negative amortization), required no money down, and set up “balloon payments,” large step-ups in payments after a few years, there is no possible way borrowers could not default in a predictable span of time.”

*(Transforming Economy, pg. 43)*

In other words, the only thing you are missing in a bubble-driven economic frenzy is financial heartache. Lesson from Step #1: Take fundamentals over fear and greed.

## STEP #2: “GET REAL ABOUT CONSEQUENCES/ ANTICIPATE THE TRENDS”

Okay, so you’ve chosen to wake up, ward off the fear and hype, and consult concrete facts and deeper intuition. Now what? Time to ask the question, “If we keep going this way, what is likely to happen?” What are the implications? What do we look for now?

This is the honesty step. Perhaps you or someone close to you has already bought a house at the height of a housing bubble. Now what? 1) Confront your desire to deny financial losses and unwise personal financial decisions. 2) Look at the trends.

*Is the market ever going to come back to what it was?  
Most likely, no.*

Say, for example, you are holding on to a typical real estate asset, hoping things turn around. Neither fundamentals nor trends support a return. Add maintenance, taxes, and fees, and you are staring at more losses.

Why? The real estate bubble has popped in so-called developed countries and is about to pop in developing countries. These cycles were and are being pumped by investors looking for short-term gains before pulling their money out. This is false demand.

Overall real demand is declining in middle class America and Europe. Housing supply is glutted from overbuilding, especially in Spain and China. Real incomes have fallen in the U.S. and Europe among young people in particular. Trust in home owning has been dashed. Long term, these trends push purchase prices down.

Does this mean that all real estate will decrease in value? No. I would not be at all surprised to see condos near cultural urban centers go up in price as baby boomers retire, even as suburban McMansions plunge in price.

*Investment-wise, it is important to anticipate where a shift in visions of the good life will increase or decrease demand and value for certain physical assets.*

Semi-rural medium-sized college towns with progressive values, farmer's markets, access to nature, and simple pleasures are positioned well to increase in value as people gravitate toward a simpler, community-oriented life and leave the "rat race" behind. (*Transforming Economy*, pg. 124)

*Transition times are generators of anxiety. We are going through a major social transition now.*

This often prompts people, in the medium term future, to run toward traditional stores of value hoping for stability. This pushes traditional commodities like gold and silver up in price, maybe even way up if there is a panic and another greed- and fear-driven bubble. Humans don't change their habits easily.

When you complete Step #2, you will have a sense of perspective about where we are going, what to expect economically, and why we cannot go back.

You are ready for Step #3, to clear the financial clutter and align money priorities with deeper values and sense.

## STEP #3: “STOP FEEDING THE BEAST/ ACT ON YOUR DEEPER VALUES AND SENSE”

*There is great positive benefit in simply eliminating the negative.*

Physically, if you cut yourself badly, you don't worry about all the blood you've lost and how to get it back. You stop the bleeding so you won't lose any more blood. This applies both to small cuts and large cuts.

Financial worth operates like blood. It should be increased but also preserved. We often forget that building financial worth is not just about acquiring assets and building savings but eliminating drains on our resources.

*Ongoing financial losses and costs that withdraw financial lifeblood from you a little at a time over a long period of time may feel less painful but they end up costing a lot more.*

Healing the small and large cuts that result in financial bleeding make a tremendous difference. Many people know that early saving and investments can pay off gigantically in net worth down the road. Few really grasp that stopping ongoing financial losses early can do the same.

Both processes are exponential. Stopping the bleeding of your financial worth also provides long-term mental and emotional benefits by ridding you of leeches on your attention and peace of mind.

So you gave the material American Dream a try and it didn't work out. What now? If you cannot gain from housing, switch your mentality. Limit your housing cost! It is most people's greatest living expense.

If you can save a thousand dollars a month by renting, building your own house, moving in with another family, or paying for a smaller house in cash, you are a thousand dollars a month richer. Not only that, you have the satisfaction of a thousand dollars less per month going to some bank.

Deeper values and sense. Your choice.

Because people get emotionally attached to things, including rising expectations, they do not see that *supporting a thing*, i.e. holding on to properties for continuing financial losses, is diminishing their ability to *care for and support actual people*, to save for education, or to start a small business, to invest in something better. It is not that much different than people who hold on to a degrading job.

*In the end, it is "your money **and** your life".*

Why not research and compare the relative long-term financial benefits of strategic default on an underwater mortgage to the negative credit consequences? Why not rebel against inflated expectations by de-expensing your lifestyle (*Transforming Economy*, pg. 245)? Why not reinvest the money and time you save into relationships, family, and community— the real American Dream?



Here is a perfect practical example. How many of you have paid more for a storage locker than the stuff inside is worth? Honestly? Practically everyone. Is this rational? No. Why do we do it? We have an emotional attachment to “stuff.” We convince ourselves that “having” our stuff means “having” our feelings, experiences, and history attached to the stuff (even if it is basically junk that we never use anymore).

Upon closer look, however, “stuff” is just another demand and expense that weighs on your mind. It is *not* a store of value.

*If you want a higher quality life, clear your economic and mental clutter. Get rid of what you don't need. Empty your storage lockers.*

Getting rid of stuff will not only save you money but also free up resources for people you care about. If selling your stuff is too much hassle, give it away. Just think of it as a double bonus—a load off your mind *and* karma points.

If trends continue, in a few years everyone will start selling their stuff out of necessity. Why not get a good price for yours now. It is personal decision time. Apply civil disobedience to your value-draining financial habits.

Once you start clearing things out, you will have more time, energy, and money to pursue the more important things in life instead of just thinking about them.

You are now ready for Step #4.

## STEP #4: “CONFRONT YOUR HABITS/ TRANSFORM YOUR CHARACTER”

Let’s do the following exercise. It will take only a few minutes:

Grab a piece of scrap paper and a pen. Put a line vertically down the center of the page, making two columns. Title the first column, “The most important things in life”. Ask yourself out loud, “What to I absolutely need, in order to live a fulfilling life?”

Under that first column spend a minute or two listing the ten most important answers to that question. If you are stuck, write down five things.

Now title the second column: “How I spend my day,” and write what you did yesterday, or if that day was not typical, what you do on a typical day.

Now simply compare the two columns.

If you are like most, the first column has things like: family, community, faith, love, learning, financial security, health, happiness. The second column has: getting the kids off to school, answering emails, surfing the internet, completing a work project, watching TV, cleaning, folding clothes, going to the store, mostly mundane individual activities in which we don’t do a lot of thinking or engagement.

*There are very few people who even spend a fraction of their day on life’s true essentials.*

Building on our conversation from Step #3, seriously challenge yourself to think, “What small things could I eliminate or reduce from the second column “How I spend my day” to open up room for the first column “The most important things in life.”

Step #4 is about developing conscious living, the basis of real choice and success: Become aware of life choices and progressively choose to devote yourself more and more to the most important elements of life.

Why do we spend so much time on the unimportant stuff? Well, for one, it’s easier. Unconscious living is a kind of autopilot that does not require much from us, at least at first.

After a while, though, unaware habitual actions can become rather meaningless. They also prepare us poorly to handle new demands or life changes. Eventually we get alternately bored and stressed.

It becomes a vicious cycle: responding with more unconscious activity to address the boredom and stress— more drinking, TV watching, internet surfing. If our lack of healthy, aware growth gets extreme, we may spiral into a sexual affair, depression, or anger and violence.

*Lack of conscious, active purpose is a killer of joy  
and meaning.*

Raising kids or having a hobby can provide a constructive alternative to simply wasting your time, but how many of you have actually reflected deeply on why and how you parent, how parenting expresses your deeper values? How many of you ask why you take up certain hobbies?

*What do my deeper interests say about me? How can I share my deeper gifts with others? What is my relationship with the world?*

For many, these questions are never asked or answered. Instead a few weeks of vacation substitute for the “good life.” “Real life” becomes a rat race most fantasize about escaping.

This is why you and I are so susceptible to marketed promises of escape: “Get rich and stop working by attending this real estate seminar on flipping houses!” “Receive untold wealth, working a few hours a week doing direct marketing on the internet!” “Buy this dream home, live well, and make a killing when you resell it!”

Sanity is achieved by conscious choice and action, not by taking up someone else’s dubious promises. The philosopher, Aristotle, was right. For practical purposes, we are what we repeatedly do. (*Transforming Economy*, pg. 94)

Once you have the courage and conviction to confront the habits, mindsets, entitlements, and principles that no longer serve you or others, you have completed Step #4.

*The world is not going to hand you a life. Acknowledge that you create your life. Reorder your values. Align your goals and actions.*

You are now ready for Step #5.

## STEP #5: “LIBERATE YOURSELF/ GET PROACTIVE”

Are you getting the bigger picture? Just about everything you’ve been told about what will make you a fulfilled person turns out to be false.

*“Conventional wisdom” is essentially mindless: Buy, buy, buy, consume, consume, consume, waste, waste, waste, hurry, hurry, hurry.*

Who does that benefit? Certainly not future generations. They will have to dig out of the environmental and social mess created by our unconscious living.

One can claim it’s those corrupt capitalists who benefit. Aren’t they the ones exploiting labor, bending the rules, and concentrating wealth? This may be true financially, but if you look closer at these alleged capitalists you see people living disastrously unhealthy physical and moral lives— heart attacks in their 60’s and indictments for insider trading.

*The truth is that no one really benefits from our present status quo. It’s a lose-lose proposition. We all benefit from liberating ourselves from the current state of things. Win-win is possible.*

There are actions you can take: Become aware of your situation. Understand what and how you can transform. Create the connected communities and practices you need to become a conscious, fulfilled person on a healthy, growing planet.

This is what the book, *Transforming Economy: From Corrupted Capitalism to Connected Communities*, is dedicated toward developing. It goes through the history of our present situation, demystifying and clarifying what we face. It looks at our present challenges and opportunities from a practical and powerful learning standpoint.

*Transforming Economy* also assembles, provides, and summarizes in one place the proactive alternatives you can personally use in this exciting transition between a system that has lost its meaning and a new society of real hope, promise, and collaborative, democratic action.

In *Transforming Economy* you will find a more in-depth explanation of Steps #1-4, as well as abundant frameworks, examples, and resources for Step #5 to:

- Elect people with integrity, courage, and collaborative ability to government.
- Promote pro-social giving and expose the false war between personal and social interest.
- Invest for long-term benefit.
- Create “service swaps” and develop local currencies.
- Support peer-to-peer lending, crowd funding and other forms of financing that eliminate middlemen and fees.
- Create competitive alternatives to high-priced school lending and low-delivery higher education.

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## 5 COURAGEOUS STEPS TO TRANSFORM YOUR ECONOMY

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- Forgive debt and align debt repayment with economic realities.
- Rebel against the consumerist “American Dream” and strengthen, simplify, and de-expense your life.
- Pool your money, resources, and time.
- Incorporate youth leadership and representation in high-level decision-making.
- Develop networked, resource-minded, creativity and entrepreneurialism.

I encourage you to pick up *Transforming Economy* and share its ideas and practices with others. Start a discussion or book group. This is one small, powerful, grass-roots way you can influence the direction of our collective future.

As interest grows, why not start a community meet-up through Meetup.com around the ideas and conversation you generate. Step #6 is building the future together.

*For now, take the initial step. Please purchase **Transforming Economy** and start the awareness and change you wish to see.*

You can contact me, Zeus Yiamouyiannis (Citizen Zeus), with any questions or comments at [zeus@citizenzeus.com](mailto:zeus@citizenzeus.com).

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