

Will Power, Discipline, or Habit?

Hello, my name is Tom, and I am a fudgeaholic. One year for Christmas, my sister made sweet, creamy bricks of fudge in several assorted flavors. However, out of concern for my health, my sister slapped my hand and forbade me from having any of the sweet fudge on the counter. "No fair!" I exclaimed. "Hand me a carrot stick or stalk of celery."

You see, I am a diabetic and use an insulin pump to control my blood glucose levels. As the smell of sugar wafted in the air, I am certain my blood glucose rose just from the air I was breathing. I was in both heaven and hell at the same time. This is a dilemma I have faced while attending parties, meetings, weddings, and family gatherings.

I share this same dilemma with other Diabetics around the world.

My pancreas just can't take it anymore. If I don't, 1. Behave, 2. Exercise strong will, or 3. Be highly disciplined, then my health will suffer, and I am headed for an early grave. But if I die in the middle of a doughnut buffet with bricks of fudge around me, then the mortician will have to deal with an eerie smile on my face.

My money habits are something else I have in common with others. Think of all the money in your wallet and accounts. I face specific choices in how I part with my money in a variety of situations. Some good, and some bad. As I control my health habits, I also need to control my money habits. Distancing myself from a table full of sweet pastries is one thing. Spending my mortgage on indulging myself in wild abandon is another. (This is the gambler's paradox witnessed in many casinos).

So, when it comes to money, how are your habits?

What if I told you I have a system I use to help me control my bad money habits and develop better money habits? Sound like one of those "money and diet fads"? At the moment, you may be as skeptical as I once was. However, this system has been proven over and over again.

The system is very simple; give every dollar (euro, pound yen) a purpose and a name. That's it; that is all there is to it. So, for instance, the dollars in my wallet are named "lunch." And that is the only thing I spend them on. *But not just any lunch, but a healthy lunch without all the sugar and maybe a small treat to reward me for being "good."*

Try it – take a couple hundred dollars out of your bank account and put them in an envelope marked "rent." Make another envelope and mark it "groceries." The money you put in this envelope can only be spent at the grocery store. I have an envelope for eating out, and I am not embarrassed anymore by an overdrawn credit card. I pay cash for my meal to the server.

Ok, this is a good place to start, but now let's add some ingredients to the mix to improve it. First, let's add priority-based spending to the mix. Then we add something to help us save some of that hard-earned money for the future. Finally, we save a little for crisis and emergency situations. Maybe we have an envelope for "Hawaii" or "vacation."

Are you still with me? If you have not put aside this article or click away from the video and are with me so far, please stay as I have more to share.

The reality is that putting money in envelopes is simple but not always practical. Our finances are more than money in envelopes and cash in our wallets. So let's put aside the envelopes for now and talk about making a spending plan (AKA budget). While we are at it, how about reducing some or all of our debt?

I may be oversimplifying all this, but we are talking about a rough sketch of a bigger picture.

The next healthy money habit I work on will be writing down what I expect to spend this month. Notice that I did not say "each" month. I said, "this" month as I have come to realize that every month is different. I simply don't spend that same amount of money each month. [This is where ordinary budgets fail as they don't enumerate the changes in spending from month to month.]

I write at the top the exact amount I expect to receive in my paycheck on this paper. First, I am self-employed, so I write what I expect to receive from my current clients that month. Next, I write the amount I want to give to charity or my local church. Next, I carve out a little for emergency savings.

I subtotal what I have left to spend, and then I spend every dollar I have leftover minus my giving and my saving. I work the amounts for each item I spend on in a priority, starting with my mortgage, car, fuel, electricity, food, medical expenses, and work clothing. I pay my credit card and loan payments last. I do not allow credit collectors to harass me into making a payment, not in line with my priorities.

After every dollar has been spent on paper, I spend the money I receive in real life. Sticking close to what I have written, I pay what I have allocated for each item, and I do my best not to go over. But I have a nice catchall item on my paper that allows for some variance. It is called "blow" as in either "I blew it" or "wo-ho! I get to blow it".

The first time I tried this spending plan, I felt like a train wreck. There were things I did not write down and items that came due I did not account for. But rather than dismissing it altogether, I tried the following month again. I got better with each passing month, and after about six months, I noticed a big difference in my bank account and life. This system helped me gain the peace of mind I was missing all along.

There is more, and if you have questions, I have answers. I work with clients to help them deal with creditors, deal with emergencies and financial crisis moments, build wealth, measuring wealth, eliminating debt, funding our dreams, and much more.

As I come up with reasons to hang around the table with pyramids of sweet fudge, I also make reasons to spend my money as I please and live the train wreck I used to live. However, willpower, discipline, and habit alone will not keep me healthy financially or otherwise. So have a small piece of fudge, and let's go work on those spending habits together. Then, I will show you a better way.

To your health (financially and physically),

Tom Beeson

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