

7 Keys to a Life of Financial Wellbeing

'To bring you're your ambitions and desires to fulfillment, you must be successful with money'

George S. Clason author of *The Richest Man in Babylon.*

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**1. Create a financial plan that reflects your values and priorities.** If you don't know where you are going to, any map will do. It is like turning up at an airport with no ticket and not knowing where you want to go, you will either not travel or travel to a destination that does not reflect your true desire.

When you are in this state of *'no direction'* then you are no longer making conscious decisions around money. This lack of direction is often the cause of money problems, which arise from falling prey to easy credit availability, taking part in someone else's plan or hope for a quick fix to a deeper problem. When you do not understand your own needs and wants, such unconscious decisions around money are made which may have lasting impacts that lead you into a situation that you do not desire.

Describe the life you would like to lead and set milestones for 1,2 and 5 years. For each of these milestones work out the requirements (goals) from your moneylife which needed to support the milestones. Now make a plan – action steps (large and small) of how you will meet the financial goals required to meet your plan. Remember, achieving goals is only possible if you create them in the first place – so however difficult or distant they may be right now does not in anyway reflect on your ability to achieve them. With clear a plan, effective money management tools and consistent guided effort you will be amazed at the potential you have within yourself to make powerful changes in your moneylife.

**2. Clarity about your money is essential.** You need to know where it is going before you can even begin to make effective changes. That may sound obvious, but it's not. Beyond the rent or mortgage and a close guess on utilities each month, most people in debt can not tell you how much they spend each month and on what.

In most cases money comes in and goes out – who knows where? – and there's never quite enough. This '*money fog*' - cloud of unknowing, is catastrophic. It leads almost inevitably to bad money decisions. Once you shine the lights of consciousness on to your spending patterns, your unique vulnerability is no longer hidden – then you can begin working on it and start living prosperously and in control of your finances.

This consciousness over your money can be achieved with a Spending Record – it is a powerful money management tool, all it is simply a recording of your daily expenses for each month. It will allow you to match your income to your needs, exercise clear options and make informed choices about money. The habit of the Spending Record will bring into focus areas that need your attention and will enable you to take increasing control of your finances.

This simple task requires only a few minutes of your time a day, yet through it, the money fog starts to lift, knowledge begins and the power to be in control of your life comes to you.

**Tip:** Go on a media diet. The media is remarkably effective at fanning the flames of compulsive spending. The message the media gives you generally goes something like this : You are fat, unfit, bat smelling and unattractive, your life is boring and you're in incredible danger – and the solutions to all these problems are just a purchase away.

Start noticing the choices you make, including what you buy and consume, based on what television, magazines and other media tell you.

**3. Create a clear picture, on a single piece of paper, of your total current debts.** This is an excellent first step towards sound financial health. Take out every credit card statement, mortgage, loan statement and any other statement

of money owed and list full balances on a sheet of paper, then add all the balances to arrive at a single number.

Don't underestimate this task, it may take anything from half an hour, an hour to a week to complete, whatever the effort required it is essential. You can't tackle your debt if you don't see it.

Once you arrive at this figure, remember the value of the figure is not important what is – is your decision to tackle it and to start living a life free of debt and that this is only a temporary situation which you are going to turn around, now that you are learning new skills to master your moneylife.

Don't incur any new debt- you cannot get out of debt by borrowing more money. This powerful action will force you to search for new options through which to bring in more money or get what you want without debting.

#### **4. Maintain Savings**

Meaningful savings are the foundations of sound financial well being. Having savings for unexpected expenses makes living without dipping into credit card use possible and eases stressful situations of unplanned periods of reduced, due to illness, lifestyle changes

It is often thought savings should come after paying for all debts, credit cards, loans, car and even the mortgage, but savings should exist before any of these occur. Start to save now even if you have little spare money or you have debts to pay, as this discipline takes time to instill.

## 5. Understand that internal satisfaction can transcend money

Money means less when true inner peace exists; it becomes a simple medium of exchange, free from complex meanings or hopes of enhanced self-worth.

We live in a society that equates 'success' with financial prowess. But many forms of success have no relationship at all to financial success. The most genuinely successful people find work in an area they enjoy that is intrinsically motivating, and their financial success is in essence a by product of that larger *life* success.

**6. Know that there's also nothing wrong with money.** Be careful not to idealise poverty and rationalise the lack of success as somehow nobler than wealth. This can occur when out dated beliefs around money exist, e.g. too much money is viewed as greed, money is scarce so if you have it someone else will be without, people with money are evil, money will bring trouble,. These beliefs are internal and self created, they are not true and need to be replaced with empowering beliefs around money.

Money bestows on the possessor many choices not otherwise available. As Albert Camus (the French Algerian author, philosopher and journalist, who was awarded the Nobel Prize for Literature in 1957) put it, *'It is a kind of spiritual snobbery that makes people think they can be happy without money'*.

**7. Managing your state of mind.** Gaining mastery over your money requires gaining some degree of conscious control over your psychological state of mind. Our brains have evolved from hunt-or-be-hunted conditions of the wild, they respond to this civilized world of money in ways that often work cross-purpose to our actual well-being.

As each of us lives within continuum of different states of mind, such as calm, relaxation, focused alertness, worried, anxious and stressed. Being in a negative state of mind will compromise the brains decision making capacity. Maintaining an optimum state of mind will prevent money losses made by emotional decisions that trump otherwise good information, advice and strategy. Mastering your state by learning how to ground yourself will help you gain access to your full range of brain capacity, including both rational and intuitive, big-picture thinking, and accurate in-the-moment observation, and focus your best judgment on the decision at hand. Having clarity, control and confidence in your moneylife will provide support for an optimum state of mind.

**Your Moneylife is not really about your income, expenses, assets and investments, although once you understand it, you will change how you view and manage all of these. Your Moneylife is about your relationship to money and how it affects everything in your life, including your financial success. Like all other relationships in your life, they need ‘looking after’ to keep them on track – invest in mastering money and you will go on to leading a life of lasting peace and prosperity.**