Personal Spending Plan

By Karen Ramsey

Contents

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ORIENTATION

"Prosperity is living easily and happily in the real world, whether you have money or not."

Jerry Gillies

STATEMENT OF PURPOSE

The purpose of this workbook is to help you:

- determine your current financial status
- develop a Personal Spending Plan (PSP)
- implement the appropriate actions toward the achievement of your identified financial goals.

PERSONAL SPENDING PLAN (PSP)

The **Personal Spending Plan (PSP)** you will develop will include your basic expenses plus all of the items you spend money on. How much do you really spend on eating out in a month? How about haircuts? And OK, 'fess up, how about clothing? Most "budgets" don't include everything, so it's thrown out after the first month because you're "over budget." As a past client once said, "Better no budget than to be over budget!"

The PSP will take the mystery out of where your money goes as well as address the "out of sight, out of mind" trap. It moves your finances from the general (also known as unconscious) to the specific. You may feel more comfortable with a "general" spending plan, but the phone company doesn't care if you just "generally" don't have enough money to pay your bill on time. They move into specifics very quickly and cut off your phone.

Once the mystery is revealed, I believe it will be obvious to you the appropriate actions to take and you'll even want to take them. And for a few of you, you'll even be excited!

For most people, budgets=sacrifice. That's one of the reasons I don't help people develop "budgets." Instead, with this workbook you will find out the facts regarding your personal finances and your goals. Once you've prioritized your goals and determined a timeframe to accomplish them, you may, without any sacrifice, choose to spend your money differently.

Let's say you're planning a trip. From your calculations you can only afford to be gone five days. If you could be gone for ten days instead of five, just by not going out to eat twice a month, wouldn't it be worth it? And who said anything about sacrifice? By not going out to eat and saving the money you would have spent actually makes you feel good, because you are moving closer to one of your identified, prioritized goals. Who ever thought not spending money now would be so much fun?

STRESS AND YOUR PERSONAL FINANCES

And let's talk a minute about the anxiety and strain you put on yourself and your family by lacking clarity about your financial condition. This anxiety and strain can take many forms, from worr ying about how to buy new school-clothes for the kids to never feeling really OK about spending money on something you really want to do or have. Or are you the person who spends money, knowing you don't really have it to spend? Any of these can be addressed by the development of your PSP and your commitment to make it work. Just imagine how your personal effectiveness, your health and your sense of well-being could be enhanced if you weren't worrying about your money!

COMMITMENT AND THE ROLE IT PLAYS

Speaking of commitment, let's stop and look at your commitment to being in charge of your money. I don't mean to imply that by developing a PSP and setting goals, your credit cards will magically be paid off and you'll suddenly have thousands of dollars extra to invest. Au contraire! This process you are embarking on takes commitment and work. For some of you, lots of it. It may mean doing things you've never done before, like balancing your checkbook or paying your bills by the due date, not after. Just as with any new undertaking, it takes practice until your new skill is developed. And it takes your whole-hearted commitment to keep doing what needs to be done even when you don't want to or when it would be easier to wait until tomorrow to pay your bills instead of paying them today. But with your commitment and
practice, you can be in charge of your money and can realize your goals.

At this point, I'd like to give an example of a client, with whom I worked a few years ago. At the time of our first meeting, she was renting a house, had no car and had charged three credit cards to her allowed limits. The amount of money she made left her only enough to make the minimum payments on the credit cards (and you know how long it takes to pay off a credit card when just paying the minimum amount, not to mention the amount of interest she was paying every month!) She was in tears and certain that she'd never be able to pay off her bills -- much less buy a car, both goals which were very important to her. But her commitment to her goals was striking, even though she had no prior success in moving toward them. In fact, each month she did just the opposite because she kept charging on her credit cards. In the process of developing her PSP she committed to not charging on her credit cards and spending according to the plan. She left a bit scared, but determined.

Recently I was at home and heard someone honking outside. I looked out and, sure enough, here was the same woman, crying again, but sitting in her new car. She had paid off her credit cards and bought her car! She is an inspiration and an example of what can happen once your goals are clear and your commitment is strong. And what is she working toward now? Yep, you guessed it, buying a house.

YOUR SPOUSE OR PRIMARY PARTNER

I suspect that some of you who are married or have a committed partner, are thinking that your financial problems are "their fault." If only they wouldn't spend so much money on clothes or ski equipment or whatever. Then you wouldn't need to develop a Personal Spending Plan and everything would be fine. Right?

Over the past eight years I have counseled many couples. In almost every case their financial difficulties fell into one (or more than one) of the following categories:

1. No personalized spending plan at all.
2. No **agreed upon personalized spending** plan.
3. No clearly defined short, medium or long-term financial goals.
4. No **agreed upon,** clearly defined short, medium or long-term financial goals.
5. No structure set up to carry out what's been agreed upon.
6. A lack of commitment on the part of one or both partners to do what it will take to reach the financial future they have envisioned.

I have met with all types of couples -- the wealthy attorney and his wife, the couple with the woman as the main wage earner, and the professional couple who had a great marriage except that the only subject that would always start a fight was money. All of these couples benefited from a PSP.

This workbook will help ensure that your PSP is developed and agreed upon. It will also ensure that your financial goals are agreed upon and structure is put in place to accomplish them. At long last you can stop blaming each other and, with your mutual commitment, move toward your personal financial goals.

MONEY (OR LACK THEREOF) - THE FORBIDDEN SUBJECT

Before we begin, I want to acknowledge you for arriving at this point. In our society I think the only subject that is more taboo to talk about than sex is money. And yet, no one teaches us how to develop a personal spending plan or how to balance a checkbook or even warns us of the pitfalls of credit cards. We learn what we can from our parents, but depending on their skill level and spending habits, they might not have been the best role models. After all, no one may have taught them either. But we're expected to know how to manage our money, and if - God forbid – we don't know how, or have gotten ourselves in over our heads, the last thing we want to do is to talk to anyone about it.

Sure, the cool thing to do at parties is to pass on the latest stock tip or brag about the high return we're getting on our investments. But if you haven’t balanced your checkbook in three years or you don't have any money to buy school clothes, much less invest, these conversations leave you uneasy and feeling like there is something wrong with you.

THERE IS NOTHING WRONG WITH YOU AND NOTHING TO BE EMBARRASSED ABOUT!!

You either haven't been taught how to manage your money, or you haven't committed the energy to do what it takes to develop your PSP and follow it. So congratulations on using this workbook and taking the first step toward managing your personal finances.

Now let's begin.

JUST THE FACTS

"The definition of insanity is doing the same thing over and over expecting a different result."

Rita Mae Brown

JUST THE FACTS

The first thing we need to do is get the facts. Who do you owe, how much and when is it due? Simple, huh? And what else do you spend your money on? Like eating out, dry cleaning, books, videos, etc. Use the following sheet(s) to write down the amounts and dates for *everything,you* spend money on in a month. Once you've written down every thing you can think of, go through your check register for the last three months and see if you've spent money on anything you haven't accounted for already. If you find something, add it. If you don't use a check register, don't worry, just do the best you can, you can update it later. Remember during this process, don't edit or not put something down because you think (or are afraid) it will be more than you make. At this point we just want the facts.

YOUR EMOTIONS AND FEELINGS

As we begin to gather the facts, what may begin to surface are your emotions and feelings about your financial situation. Some of the typical ones are:

a sense of failure

resentment and/or anger toward your spouse/partner or parents

resignation that it will never work out or get any better

sadness about how you've handled your money in the past

anxiety that you will never have enough money to pay your current bills, let alone have enough for retirement

frustration with the system (i.e., taxes)

excitement about the possibility of attaining your financial goals

hope that it will all turn out

satisfaction that what you've done to date has been right on track

There are many more possible things that you may feel as you proceed and any and all feelings and emotions are fine. As I've mentioned, over the many years I have used this workbook, I've seen and heard it all. The topic of money for some people is upsetting and it's fine for you to express yourself completely as you go along in this process.

But for now --- what are the facts?

JUST THE FACTS

Liabilities:

Use this sheet to list all your liabilities, such as any loans or credit cards debt. After you have finished, transfer the information to the monthly expense sheet.

Who Owed	Total Owed	Monthly Payment	Payment Due	Interest Rate

PERSONAL SPENDING PLAN
MONTHLY EXPENSE CATEGORIES

			January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Mortgage Payment or Rent															
	Interest on Mortgage														
	Real Estate Taxes														
	Condo dues														
Transportation															
	Auto Loan Payments														
	Gas & Oil														
	Maintenance & Repair														
	Parking														
	License														
	Public Transportation														
Charge Accounts															
Personal Loans															
Household Expenses															
	Maintenance & Repair														
	Heat														
	Water														
	Garbage														
	Personal telephone														
	Telephone business														
	Furniture & Decorating														
	Groceries														
	Cable TV														
	Eating Out														
	Clothing														
	Jewelry														
	Piano lesson														
	Dancing														
	Business and Other Dues														
	Internet														
	Education Expenses														
	Vacation/Camp														
	Gifts														
	Miscellaneous														
	Landscaping														
	Mowing														

PERSONAL SPENDING PLAN
MONTHLY EXPENSE CATEGORIES

			January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
Taxes															
	Federal														
Insurance															
	Life														
	Health														
	Disability														
	Home														
	Auto														
	Other														
Medical Expenses															
	Doctor														
	Dental														
	Optician/Glasses/Contacts														
	Prescriptions														
	Vitamins														
Contributions															
	Religious														
	Charitable														
Other Expenses															
	Dry Cleaners														
	Haircuts														
	Facials														
	Books/Magazines														
	Newspaper														
	Postage														
	Attorney														
	Taxes														
	Financial Planner														
	Art Supplies														
	Baby Sitter														
	golfing														
	Therapy														
	Pets														
	Massages														
	Music														
	Lattes														
	Misc														
Total By Month															
Surplus (Deficit)															

REALITY VS. PERCEPTION

Now we come to the fun part--at least fun for some, and gut wrenching for others. Time to add up the total amount of debt you have and your total monthly expenditures. During this time I always remind my clients to breathe. However the numbers come out, remember they are just facts--what we're going to use as the basis of your Personal Spending Plan. They're not set in concrete and they don't mean that you are a good or bad person. And **most important ,** there are no right answers. What you spend on groceries is what you spend on groceries based on your personal situation. Who cares what the Joneses down the street spend?

Take a minute before you actually do the adding up. Without looking at the "Just the Facts Sheet," guess what you think the totals will be. Some of you know these numbers by heart. But for others, discovering how much you spend and on what, versus what you perceive that you spend, will be a total shock. This reality check is a perfect example to show you the difference between your thought s and feelings about your money versus the facts and this is a very important distinction to remember when dealing with personal finances.

So go ahead, add 'em up, and remember to breathe.

Once you've added it up, don't make any decisions. And if possible don't panic if the total was more than you currently bring home. This is just the first set of facts we need to develop your PSP.

Now – onto your financial goals.

GOAL SETTING

"Life is either a daring adventure, or nothing."

Helen Keller

GOAL SETTING

The next thing you need to determine (and, if you are a couple, agree upon) is your financial goals. What are your immediate, short-term and long-range financial goals? Chances are you can come up with 3-6 financial goals off the top of your head without even thinking very hard. These are the goals you want to accomplish and don't know how or the ones you think you should accomplish and just haven't gotten around to yet. And then there are the ones that would be fun to accomplish and provide you with immense enjoyment.

Some examples of financial goals would be:

Paying off all credit cards

Buying a house or new car

Fully funding an IRA yearly

Having 3-6 months'salary in an emergency fund

Buying life or disability insurance

Saving for retirement

Setting up an educational fund for your child/children

vacation in the Bahamas

As with any goal setting exercise, use this opportunity to write down obvious goals as well as brainstorm any that are lurking beneath the surface. These take a little longer to come to the surface, so stick with the exercise. Most importantly, don't edit, just write. Now take 5 minutes and write down your financial goals.

MY FINANCIAL GOALS ARE:

PRIORITIZING YOUR GOALS

Before you can prioritize your goals you need to identify if they are:

	Timeframe
I Immediate	________________________
ST **Short-Term**	________________________
LR = Long-Range	________________________

My clients always ask me to define immediate, short-term and long-range. I'd rather you put the timeframes that make sense to you for each category. Six months may mean immediate to you and short-term for others. Remember, this is your PSP tailored to you and your situation. So next to each category above, identify the timeframe.

Now, in the left-hand margin of the financial goal page, put either an “I”, “ST”, or “LR” in front of each.

Use the following page to write down the top three goals for each time frame in order, with 1 being most important.

MY FINANCIAL GOALS IN ORDER OF PRIORITY ARE:

		Total Cost	Target Date to be Completed	Monthly Amount Necessary
Immediate:	1.			
	2.			
	3.			
Short-term:	1.			
	2.			
	3.			
Long-term:	1.			
	2.			
	3.			

Now go back and fill in the approximate cost for each goal and the target date by when you want it to be accomplished. Then divide the total cost by the number of months between now and the Ttarget Date to be Completed" to give you the amount necessary on a monthly basis to accomplish each goal. We'll use this information to develop your PSP. Don't try to figure out if it's possible to accomplish or how. We'll get to that.

CHOICES BASED ON FACTS

"When schemes are laid in advance, it is surprising how often the circumstances fit in with them."
William Osler

"We will either find a way or make one."
Hannibal

CHOICES BASED ON FACTS

Now the time you've all been waiting for! Time to bring together the facts and your goals to make choices about how you are going to allocate the money you earn.

First set of facts:

Net Monthly Income	$	________________	A
Minus Current Monthly Expend itu res: (from page 2-5)	-	================	B
Equals Net Monthly Income Available for Financial Goals:		________________	C
Or:			
Equals Amount Monthly Expenditures Exceed Net Monthly Income*			

We'll now apply the amount you have available to spend toward your financial goals. On the top line on the following page, fill in the Net Monthly Income Available for Financial Goals from line C above. Then turn back to page 5 of Section 3 where you determined the monthly amounts needed to attain your financial goals and allocate the amount available to your goals on the following page. Decide if you want to apply a portion of the amount available to all of your goals or if you want to concentrate your money on a couple of high priority items now and move on to other goals once these are accomplished.

So go ahead-allocate!

*If you have a negative amount on line C, turn to page 4-4 for instructions. And keep breathing!

ALLOCATION OF MONEY AVAILABLE

Net Monthly Income Available for Financial Goals	$ ___________	Line A (Line C from page 4-2)
Minus:		
Goal #1	$ ___________	
Goal #2	$ ___________	
Goal #3	$ ___________	
Goal #4	$ ___________	
Goal #5	$ ___________	
Goal #6	$ ___________	
Goal #7	$ ___________	
Goal #8	$ ___________	
Goal #9	$ ___________	
Balance (must be zero or more)	0	

Remember, you don't have to allocate your money to all 9 goals, just to the ones you feel are most important and for which you have income available.

Don't be discouraged if your money doesn't "go very far" right now. Remember that this is just the beginning. And if you really want to free up more money to apply to your goals, turn back to the Just the Facts Sheet on page 2-3 and adjust the amounts on some of the discretionary items, like eating out or clothing. Be careful not to set yourself up to fail by being overly aggressive in your cutting, but also realize how satisfying it will be to reach your goals more quickly (without feeling like you're sacrificing along the way). If you cut any expenditures, indicate the new amount on the Just the Facts Sheet, add the amount cut to Line A above and then reallocate.

At this point, you may find that accomplishing your financial goals has become very important to you. In fact, you may find that instead of taking what's left over after monthly expenditures, you are committed to allocating a portion of your net income to your goals first, and then finding a way to live on what's left over. If you are committed to the accomplishment of your financial goals and committed to doing whatever it takes to achieve them, you'll have no problem. Remember how little you used to live on when you first started living on your own? Now I'm not suggesting you cut back to that level! But if your priority is to reach your financial goals, you can get very ingenious in the ways you live on less. (If you decide to change any amounts, be sure to put in the new amounts on the Just the Facts Sheet.) Now let's put it all together!

OOPS!

If there is comfort in numbers, the majority of people who do this for the first time are spending either exactly what they make or more. And it makes absolutely no difference how much they make, it gets spent and then some.

Rather than panic, I suggest we get back to the facts. Obviously you have two choices: earn more or spend less. Let's explore both.

First of all, about spending less. Look at the **Monthly Expenses** sheets on pages 2-4 and 2-5. Looking at the items, you can see that they fall into one of the three following categories:

1. **Committed Expend itu res-Expenses** resulting from a commitment made previously, (i.e. mortgage, car loan, insurance premium, utilities, investments and to a certain extent food.)

2. **Somewhat Discretionary-Expenses** you have some control over the amount and timing, (i.e. vacations, gifts, eating out, etc.)

3. Very Discretionary-Expenses you can choose to spend or not, (i.e., a trip to Europe, a boat, new furniture, etc.)

Now go through your expense items and assign one of the above categories to each.

Once that is done, focus on the "Very Discretionary" items. Can they be eliminated or deferred until a later date? Or can the amount be reduced if it still must happen? If yes, do it. Next, focus on the "Somewhat Discretionary" items. While most of the time these can't be eliminated, the amount spent on them usually can be reduced. Sharpen your pencil and have at it. Remember, you've got to get your expenses to at least equal to or less than your income. Make sure that you update your **Just the Facts** Sheet as you go along. If by doing the above you still haven't cut enough, think about additional sources of income -- and be creative. One client of mine made up the short-term deficit solely by collecting the money she had lent to others. For you, it may be turning a hobby into a second income source, or asking for a raise at work. How could you earn additional income? And how much? Once you've decided how to increase your income, turn to page 5-5 and list it as an Action Item.

You should now have your expenses equal to or less than your income (or your anticipated income). See, that wasn't so hard! Turn back to page 4-2 and continue.

PUTTING IT ALL TOGETHER

"What we think, or what we know, or what we believe is, in the end, of little consequence. The only consequence is what we do."

John Rushin

PUTTING IT ALL TOGETHER

Now, time for the really fun part, putting it all together. But before we do, let's review what you've accomplished so far:

1. Identified (and adjusted, for some) total monthly expenditures.
2. Identified and prioritized your financial goals.
3. Allocated a portion of your net income to the accomplishment of your financial goals.

Take a moment and realize what a ma or accomplishment this is. You've done what you know you should do, but never quite got around to doing. Or you never knew quite how to do it. Well, you've made it this far - so congratulations! Now to put it all together in your Personal Spending Plan.

One of the major problems most of my past clients have had (even if they've gotten to this point) is how to make it work on a daily basis. Usually they get paid twice a month or every other week and the majority of their bills are due by the 10th. Sound familiar?

Have no fear-there is a way!

We're going to split your income and expenses into two groups. The first group (Column A of your PSP on page 5-4) is the net income you receive in the first half of the month and the expenses that are due between the lst and 15th of the month. The second group (Column B of your PSP) is the net income you receive in the second half of the month and the expenses that are due between the 16th and 3 1 st.

To develop your PSP, turn to page 5-4 and complete the following steps:

1. In Column A, write in your (and your spouse's/partner's) sources of net income you receive from the 1 st to the 1 5 th of each month and the amounts.
2. In Column B, write in your (and your spouse's/partner's) sources of net income you receive from the 16th to the 3 1 st of each month and the amounts.
3. Total the net income from all sources in Columns A and B.
4. Turn back to the Just the Facts Sheet on page 2-3.
5. For each item on the Just the Facts Sheet, look at the payment date and for those expenses due between the lst and the 15th write in Column A who is owed and the monthly amount due. (Note: for items like groceries, split the expense between Column A and B.)
6. For each item on the Just the Facts Sheet where the expense is due between the 16th and 3 1 st, write in Column B who is owed and the monthly amount due.
7. Add up the cumulative expense amount for Column A and Column B as you go along.

Now for 99% of you, the cumulative amount in Column A is greater than Column B, and for some of you, it is even more than your net income for the first half of each month. That's OK. We'll allocate some income from Column B to offset the deficit. But first:

8. Turn back to the Allocation of Money Available sheet on page 4-3.
9. For each goal you've allocated income to, write in the amount in either Column A or Column B, whichever one still has income available.
10. After you have split all of your income, expenses and financial goal amounts between Column A and Column B, make sure your addition/subtraction is correct.
11. If one column has a deficit, allocate from the other Column the amount to make up the difference. This is the money you will set aside to have available for expenses in the period your expenses are higher than your income. Call this: Amount Set Aside for Expenses.

And there you have it - Your own personalized Personal Spending Plan! Let's analyze what this means. Out of this process you have:

1. Identified and analyzed what you spend your money on and made adjustments based on facts and your commitment to your financial goals.
2. Identified and prioritized your financial goals and determined the amount of money it will take on a monthly basis to accomplish.
3. Developed a plan of action that starts today which shows you who to pay and when and what is available monthly to put toward your financial goals.

Congratulations!

Remember, your PSP can be updated at any time based on new information. The process works -all you need to do is fill in the facts.

Many clients report that once they've done their first draft of their PSP, things start happening. Some pleasant surprises and some not so pleasant. Old bills or bounced checks they've totally forgotten suddenly resurface. I've had two clients get letters from the City of Seattle to pay up on parking tickets from 3 years ago. Other clients get unexpected money.

I characterize all of these as evidence of your commitment to your personal finances and goals. The past needs to get cleaned up and you can be very powerful in drawing money toward you. Whatever happens, just keep updating your PSP based on the new facts.

PERSONAL SPENDING PLAN

Column A: 1st – 15th

NET INCOME

Source	Amount
	$
TOTAL	$

Column B: 16th – 31st

NET INCOME

Source	Amount
	$
TOTAL	$

GOALS/EXPENSES	Monthly Amount Due	Cumulative Expense Amount		GOALS/EXPENSES	Monthly Amount Due	Cumulative Expense Amount

PLAN OF ACTION

For some of you there are now things to do to put your complete financial house in order, like drawing up a will, buying life insurance or seeing a tax accountant. Use this sheet to list these action items, who will do them and by when they will be accomplished.

Action Item	**Who Will Do This** Item	By When Accomplished?
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		

TIPS

It is the mark of a good action that it appears inevitable in retrospect.

Stevenson

TIPS

Ah, finally, after all that hard work, I can give you my tips! Part of the reason I've kept them until now is that I want your PSP to work for you and the best way I know to have that happen is for you to develop it based on your own situation and facts.

But for what it's worth, here are my tips:

1. Pay off your **credit card balances ASAP.** And pay off the card that has the highest rate first.

   Most credit cards charge 15-21 % interest. If you don't have a balance, you won't be paying interest and that money will be going toward your financial goals, not making the credit card companies rich. I can't name another investment that will return 18% with no risk!

2. Pay cash for everything except major ticket items like houses and cars. (And for some, even pay cash for cars.) If you don't have enough money today for what you want, start saving for it. Either modify your PSP or get ingenious in making money other ways.

3. Charge one item every few months and pay it off each time before interest accrues. I know this sounds contradictory to #3, but you have to keep using your credit cards to keep your credit rating good. A good track record of prompt payment comes in handy when applying for loans or lines of credit.

4. Have a minimum of three months and preferably six months of expenses in a money market account reserved only for real emergencies. When you have a real emergency you may need cash now. So make sure it is earning a good rate of interest and is easy to access. (And not having any money to spend at the Nordstrom's half-yearly sale is not a real emergency!)

5. Contribute the maximum amount allowable toward an IRA or to a Roth IRA. The tax-deferred interest compounding benefit can make a significant impact on your retirement picture.

6. Invest in no-load mutual funds. Over the long run, no-load mutual funds perform as good, if not better in some cases, than load mutual funds. There is no need for you to pay extra.

7. Go to bargain matinees. You can't beat half price and it's the same movie they show at 7pm for twice the price. Besides, the lines are shorter (at least now, anyway). And refrain from buying popcorn, pop and candy from the concession counter. How do you think the movie houses make up for the half-price tickets?

8. Buy as many of your groceries in bulk or on sale as possible. Stock a pantry and save money.

9. If you own your home and it has appreciated significantly since you bought it, investigate whether you can request to have your private mortgage insurance dropped.

10. If you own your home and have lots of consumer debt, investigate a home equity loan or second mortgage to pay off the consumer debt. A word of caution: your home would then be collateral if you default, so beware.

So there you go--my top tips. I'm always looking for more, though, so if you think you have a good one, pass it along.

THE BEGINNING

"Let me tell you the secret that has led me to my goal.
My strength lies solely in my tenacity."

Louis Pasteur

THE BEGINNING

Even though this is the last chapter of the workbook, it really is the beginning for you and your financial goals. You know where you are, where you want to go and have a plan to get there. And this is a process that you can use over and over, as facts change and old goals are accomplished.

I've used this process over and over with all my clients and it works. The thing you have to remember to add is your commitment, your tenacity, if you will.

I started setting financial goals for myself at an early age. I grew up on a farm in the country seven miles from Loveland, Colorado. There weren't neighborhood kids to play with, so my entertainment was what I generated. At the ripe old age of 9, I decided I wanted to buy a stereo. (I've since learned from my friends that when they were 9 they were spending all of their allowances on candy, not saving for a stereo.)

But I was determined and I knew the one I wanted. It was in the appliance store where my mom bought her washer. It had a receiver, a turntable, an 8-track player (I know, I'm dating myself) and the best part was the speakers. They looked like sleek end tables with slate tops and they had a speaker on each side, so no matter where you were in the room, the sound was aimed at you. They were very cool.

My only sources of income were my $1.00 per week allowance and money I received as presents. I saved for over a year. I didn't spend a dime and always asked for money for presents. At long last I had the $163.00 saved to buy my stereo and those speakers!

I'll never forget the day when we went to the appliance store. My mom told the salesman I wanted to buy a stereo. He asked me which one and I pointed to it. He then asked my mom how she wanted to pay for it. She said, "I'm not buying it, she is." His eyes then popped out as I brought out my wad of carefully folded $1, $5 and $10 bills.

I've set many other financial goals since then and accomplished many of them. And I know that with a plan and your commitment, you too can buy "the stereo of your dreams."