



10 WAYS

to create

FINANCIAL

STABILITY

today

1. GET ORGANIZED

Financial stress is chaos. To control chaos you have to get organized. Print out your credit report, your latest bank statements, and your latest debt statements. You must establish where your money is and where your obligations lie.

2. WRITE DOWN YOUR BILLS AND DEBTS

Physically write it down. None of this, “I owe a couple thousand to this family member and I pay about \$100 a month for cable”. Nope. I want you to write down the balance of every debt and what you pay monthly for each recurring bill. Make a separate list that includes expenses which occur sporadically throughout the year and when. For example, in October you’ll owe \$67 for new license plates. In July your cat needs shots and it’ll cost \$105. This prevents all those “surprise” expenses from jacking with your budget on any given month.

3. HAVE A 30 MINUTE MONTHLY MONEY MEETING

Every month. *No excuses.* My wife and I do ours on the 5th of the month because I like calling it the Financial Fifth. Yeah, I’m a lot of fun to be married to. This meeting is a quick 30 minutes to touch base on how you fared last month and what you need to prepare for in the coming month. Determine if you had a surplus or shortage last month. In what categories did you overspend? Notice patterns. Do you spend more money on Fridays than any other day? As you project forward and set goals for the upcoming month, be on the lookout for vacations, birthdays, holidays etc.



4. SET A 30 DAY GOAL

Your monthly budget meeting should also be the place you set goals for the upcoming month. Don't use vague promises. Agreeing to "save more" next month isn't good enough. *Your goals must be specific.* This month we are going to save \$500 for our upcoming vacation. This month we are going to reduce our credit card bill by \$350. Set a realistic goal and celebrate your victory at your next budget meeting.

5. SET A WEEKLY FOOD BUDGET

Guess who overspends on food? Just about everyone who budgets for food monthly. We all eat 93 meals a month. Maintaining a budget on that scale is too difficult. *You have to break it down.*

I recommend a weekly food budget. It's as simple as setting a monthly food budget (should be no more than 12% of your monthly take-home pay) and dividing it by four. This is your weekly budget for groceries and dining out.

6. DO THE 4 HIGHLIGHTER BUDGET CHALLENGE.

Supplies: 4 highlighters and a print out of last month's checking account statement

First Color: Highlight your beginning and ending balance. Did you spend more than you made? Or did you spend less? This is your shortage or surplus.

Second Color: Highlight your deposits. Note the total, this is your income.



Third Color: Highlight your recurring monthly payments. Mortgage, rent, utilities, internet, etc. Note the total, this is your monthly expense total.

Fourth Color: Highlight the most common purchase. This will most likely be groceries, dining out, or purchasing household items, etc. Total it up. If you are spending the most on groceries, this becomes the category you will attempt to reduce in the upcoming month.

7. IDENTIFY YOUR PROBLEM SPENDING AREA.

The challenge above helped you identify your problem area. Whatever your problem spending area, it's now time to battle it out with your vice. Reduce spending by 20% next month. Repeat the following month. Slowly bring your spending habit down to a level that makes sense for your budget. *You don't have to obliterate it, you have to manage it.*

8. CONSIDER A SECOND JOB ON A TEMPORARY BASIS

Whatever your hang ups about getting a second job are, getting a second job is smart. *A second job can save your financial life*, if you do it the right way. Increasing your income when you have poor financial habits won't help your situation. You may feel like you're doing something good, but you'll absorb the income and it won't make a dent. You have to get your behavior and habits together before you bring more income into the mix. I highly recommend giving your second income a job. Don't add these funds to your general income. If you make \$200 extra a week with your second gig, that \$200 a week should go directly to paying down debt or directly to a specific savings goal.



9. CHALLENGE YOURSELF TO A WEEK WITHOUT A CONSUMER PURCHASE OUTSIDE OF GROCERIES AND GAS

Sound like the worst week of your life? It may be, but believe me when I say it will change your financial life for a long while. My wife and I tried this a few years back. It was rough. But, we made it to the other side by using the mantra *“Do we really need this?”* over and over again. Funny thing was, after we made it through our spend-free week, we continued to use the phrase regularly. Making it through this one week challenge ended up changing our spending behavior for weeks after.

10. AUTOMATE YOUR SAVINGS AND DEBT PAY DOWN. DON'T WAIT TO SEE WHAT'S LEFTOVER

You've heard the old adage, *“Pay yourself first.”* I stand by this 100%. You do this with your retirement funds, and now you need to do this with savings and paying off debt. I'm guessing you've been using the method of, “whatever is left I'll put it to good use.” Not a great method. You have to determine what you'll put toward savings and debt as soon as you get paid. Transfer the funds immediately. Don't give yourself a choice to use the funds for anything else. Make your future financial success a priority today.



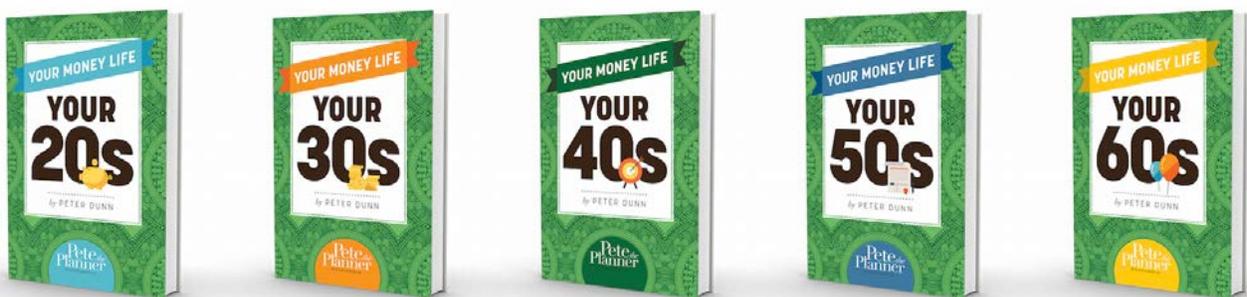


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is an award-winning comedian and an award-winning financial mind. He’s a USA TODAY columnist and the author of ten books, six of which were featured in a nationwide launch at Barnes & Nobles stores in January of 2015. He is the host of the popular radio show The Pete the Planner Show on 93 WIBC FM and is a columnist for the Indy Star. Pete has appeared regularly on CNN Headline News, Fox News, Fox Business as well as numerous nationally syndicated radio programs. In 2012, Cision named Pete the fourth most influential financial broadcaster in the nation.

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