

## Get Control of Your Finances in 2010: It's As Easy As Pie!

The reason many Americans do not have control over their money is because they have the wrong perspective toward their money. They view their money as a whole pie instead of a pie that is sliced into pieces. It's really that simple. If you will change your perspective, you will change your practice, because how you view your money determines what you do with your money.

Let's say you invite a family of three over for pie and ice cream this evening. You then learn that two of your adult sons will be stopping by your home for an afternoon visit. Red flags go up! You envision your sons spotting the pie and, of course, wanting some. You are not afraid they will eat all the pie, just that they will not leave enough for your evening guests.

The action you take is simple. You slice the pie into pieces and separate the "promised pieces" from the rest of the pie. The boys are then free to eat the pie that is left in the pan now that you have made sure your guests will get theirs. Changing your perspective from seeing a "whole pie" to a pie sliced into pieces will enable you to provide what you have promised. From the sliced pie you easily can see what is "designated" from what is "discretionary".

This is the proper perspective we must take toward our money. We must see our money as divided into what is designated (set aside for bills), from what is discretionary (left over for non-essentials). This simple change in perspective will help put us to be in control of our finances. Most Americans view their money as a whole pie and never know what is spendable and what is not. They spend their last \$75 on an evening out, then fail to pay their cell phone bill due the next day. So, here are three simple steps to follow to change your perspective to the proper one:

1. Determine what bills are "have to" bills and total their amounts for the entire month. Include an amount for savings as a have-to bill.
2. Separate that amount of money from the rest of your take home pay by putting it in a separate checking account. This amount is designated for bills and should not be spent for other things. (If you are paid weekly, take one-fourth of the total amount needed from each paycheck; if bi-weekly, take one-half the total amount needed from each paycheck.)
3. Divide the rest of your discretionary monies into 3-4 labeled envelopes like Entertainment, Clothes, Gifts, Vacations, etc., so you can plan to have money available for these things. If there is money in the envelope you can buy it; if not, you cannot.

Our money is seen as "pie" as sliced into designated pieces, not a whole pie. The money needed to pay bills is separate from the rest, and the left over money is divided into envelopes.

Change your perspective, change your practice, and you will begin to have control of your money.

Easy as pie!

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