

Self Discipline is *not* all You Need for Healthy Finances

By Tom Beeson

Recently, someone told me “if I only had more discipline, I could get ahead financially”. What struck me as odd was this person recently retired from the US Marine Corps. How much more discipline could this person possibly have. Then it occurred to me that perhaps discipline was not the only thing we need for stronger healthier personal finances. Perhaps self discipline only contributes to a small portion of our financial success. Here is what I found:

-- You need the RIGHT tools --

I love watching commercials on TV. Recently there was a commercial that portrayed a man who was showing off the handcrafted framing hammer his dad had given him as a gift. But would he use it to frame a house? Of course not! He help up the most powerful nail gun I had ever seen and proudly proclaimed this is what it truly takes to get the job done.

What tools will you use in your personal household management? Would you build a deck with a table knife and plastic screwdriver? Would you hammer a nail with a pipe wrench or the sole of your shoe? Will you spend your hard earned money without a plan or a purpose?

-- You need the RIGHT budget --

To begin with you need a good working monthly budget. Not just any budget. Most budgets never work or are very frustrating to use. If you use the wrong budget you might as well saw wood with a table knife. Boy, will your hand hurt after awhile.

I prefer to use a monthly cash spending plan called a “zero based budget”. It is simple, easy to use and it works every time. It can be done on paper or inside of an MS-Excel spreadsheet. First, put your income (take home pay) at the top. Second, set a little aside for giving and saving for emergencies. Third, pay all your basic expenses such as housing, food, transportation and clothing. Last pay your credit card debt and miscellaneous expenses. Spend ****every**** dollar. Your income minus your expenses **MUST** equal zero or you have to go back and reallocate somewhere. Do one cash spending plan for every month. Every month is different so don't try to make that ghastly unrealistic magic budget that you will never be able to make work.

-- You need the RIGHT cash management system --

Want to give yourself a 12-18% raise without increasing your current salary by one penny? Use cash! When you use actual cash (not your credit card, debit card or ATM card) you will spend 12-18% less and feel greater control of your finances and your life. You will not starve or do without. Though it may not hurt a few of us to go on a diet, you will not suffer any ill effects.

The cash envelope system has been around for decades. It was most commonly used in the 1930's and 1940's. For example, Joe and Suzy would sit down at their kitchen table the first of every month. They would take Joe's paycheck, cash it and distribute the money into several envelopes. They had one envelope for their rent or mortgage, one for gas and electric, one for vacation, one envelope for gas for their car, one for groceries, and one envelope for eating out, and so on. They spent only out these envelopes and if the envelope was empty they did without or transferred money from another envelope. This is by far the simplest and most effective budgeting system known today. A modified version of this system is now being taught by consumer financial education specialists and is used by families today.

-- You need the RIGHT mindset --

Personal values and principles play a large role in healthy personal finances. From our values and principle we derive our boundaries. Would you feed your children only candy and ice cream at all hours of the day or night as they demanded? Of course not.

Our local electronics store has to mop their floor every night. They have to mop the saliva and scuff marks from in front of the huge 47 inch plasma TVs. Customers come into the store, skid to a stop in front of the big televisions sets and salivate all over the floor. It happens all the time. Our inner child comes out to play when we least expect it.

So, why do we allow our inner child to tantrum every time we go to the local store, car dealership, gold pro shop, or restaurant? Ok, you may think I am hitting a little below the belt here and perhaps I am. But think about it. That grocery store kid that lives inside of us needs just as much love and care our external kids. We need to establish and hold ourselves true to the same healthy boundaries that we would impose on those around us.

Don't be confused. A boundary is not the same as self discipline. A boundary is simply a line that we will not cross and that we will respect. We establish boundaries all the time. Self discipline is the commitment to stay true to our boundaries, values and principles. Many have all the self discipline they will ever need. In fact, we have all the discipline there is in the world today. What many lack is the understanding of our boundaries.

It is said that healthy personal finances are 80% behavior and 20% knowledge. The simple tools you use will help you tame the behavior you are looking for. We must not settle for just any tool, but the right tools. Keep it simple and you will come to know financial prosperity and abundance for life.

About the Author

Tom Beeson is a Consumer Financial Coach, writer, public speaker, and founder of Bright Pathways Coaching Center for Abundant Living helping families to achieve financial stability and wealth. He is well known for free weekly tips on abundant living and the debt free mindset. Readers are invited to signup at

<http://www.AbundantMoment.com/>

###