



Facing Your Financial Reality!

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ABOUT THE AUTHOR

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The recent debt crisis in the United States and media coverage of a volatile world economic situation has brought us to a point of realizing that when it comes to money, we just have to face the facts! You cannot spend more than you earn without facing consequences!

I enjoy the television program "Til Debt Do Us Part" - not because I like to see people who are in financial trouble but because there are specific things that can be done to get people out of financial trouble. Following are some simple steps in the formula that can lead to stability:

1. Get all the facts - The first thing you need to do is get honest with yourself and gather information so that you have an accurate understanding of your financial situation. Write down every debt that you have incurred, the interest rate charged and amount that you need to pay each month. When you have done this, you will know the total debt for which you are responsible.
2. Consider the consequences of continuing in your pattern - What will happen if you continue spending at this rate for five years? Ten years? Twenty years? Are you stealing your future by buying things you don't really need?
3. Make a plan - Imagine trying to build a house without a blueprint. That would be horrible! You wouldn't know what you needed or where to start building. This is the same for your financial situation. If you don't have a money plan, you don't know what kind of life you are building.
4. Communicate and compromise - Every family member has values and ideas that might differ from the others in the household. It is therefore important to talk on a regular basis about shared goals and consistent effort to achieve them.
5. Increase your income - You don't necessarily have to take on a full-time job to make a big difference. Perhaps part-time work, a small home business or even a newspaper route will take you from where you are to where you want to be. (And the route could help you to achieve both health and money goals at the same time!)
6. Eliminate or reduce expenses - Seriously consider every item that you purchase and decide if there is something you can do to lower the costs. Could you cancel a subscription to a magazine that you never seem to have time to read? What about reducing the options on your cable package? How much could you save if you purchased fresh items and made more meals at home rather than choosing the pre-packaged and processed foods?
7. Ask to have your interest rate reduced - Many banks and credit card companies will either lower your rates or offer solutions that will help you pay off accounts quicker. If you find yourself being tempted to consolidate more than once, however, consider this a red flag that is warning you to change your bad habits before you get into trouble again.
8. Create money-saving strategies for your needs - Would it be wise to purchase items by the case or in bulk? What about making coffee at home and taking it with you rather than going through a drive-through each morning? One of the best tips is to stay out of the stores! The more you go there, the more you will spend!
9. Save to buy your "wants" - Paying cash for a trip, furniture or jewellery will not only save you interest but might also give you a nice discount at the time of

sale. Always remember to ask about a reduced price when you have cash to offer the salesperson.

10. Think long term - "Freedom 55" was attractive when people were dying at younger ages. Modern science has now increased the lifespan and you therefore need more money for the extra time that you will have on earth. The good news is that the younger you start to save, the more you will have when you are older because of the compounding effect.

Well, I was wondering what would happen if President Obama and leaders of other countries would review and practice the ten steps listed. It wouldn't take long until things would turn around and have a ripple effect on the world economic scene.

You see, it doesn't matter if you are an individual or a large nation, you can proceed with the knowledge that there is a formula that will help you to convert trouble into prosperity.

As long as you are ready to face reality!