

# Your Money

by Cheryl Hanson Simpson



## Steps to achieving your money goals

*"I wrote my usual resolutions at the start of the year to make some improvements to my finances, but already I've slipped back into some bad habits like buying unnecessary items at the supermarket. It's one thing to make the resolutions, but how do you actually carry them out successfully?"*

The challenge with resolutions is that they are often in direct opposition to your normal behaviour pattern. To achieve your new goals, you will have to break the old, comfortable habits that have prevented your progress, and create new routines for success. Many times it is very difficult for people to change their lifestyles, even if they know they are bad for them. As they say, 'old habits die hard.'

So what can we do to transform our behaviour patterns towards attaining our goals? According to T. Harv Eker, financial guru and bestselling author of the ***Secrets of the Millionaire Mind***, it is possible to 're-wire' our brains to accept new actions for achievement. Here is his five-step plan towards creating the habit of success:

### **1. Create a clear intention**

It's crucial to be very, very clear about what you want to achieve. Most times we set goals that are vague, for example, "I would like to save more money." It's difficult for your brain to get convinced to carry out a command that is not very specific. This goal leads to more questions like 'How much more money do you want to save?' 'Do you have a target amount to reach?'

Clear intentions must be precise and detailed. For example, "I want to pay off my credit card debt in eighteen months time" or "I want to save up \$700,000 for a deposit on a two bedroom house by June 2008."

### **2. Become committed**

Commitment means to devote yourself wholeheartedly to your goals. Many times we say we want to get something, but we are not really prepared to do *whatever it takes* to succeed. When you state your big intention, you should commit to those little actions that will help you to achieve your big goal. For example, if you want to pay off your credit card bill, then it may mean making tough decisions like suspending your cable service for a while. Saving to buy a house may require cutting out the entertainment spots every weekend.

### **3. Make a plan**

Now that you're clear and committed, what are you actually going to *do* to make the goal a reality? For your financial objectives, I recommend getting help from experts for this stage. Financial advisors can take the guesswork away from the planning process. They're experienced in strategies to invest money or to consolidate debt. Best of all, they have stories of other people who have been successful at what you're trying to do, and this can help to motivate you. Your plan should involve very specific actions like 'take \$5,000 monthly through salary deduction and invest in a money market account, and increase this amount by 10% every year.'

### **4. Act at once**

Just do it! This step may seem obvious, but I have seen many people who have agreed to a financial action plan, and the only thing holding them back from its fulfillment is the first act of handing in a salary deduction form at work, or visiting the NHT to start self-employed contributions.

I always encourage clients to commit to a small action that they can immediately carry out to further their goal. For example, if credit card debt is a major problem, cut up the card and write the bank to cancel it before the day is out. If you want to get a higher paying job in a new industry, call the Human Resources department of a recognized company in the field and find out what qualifications are required. It's these little actions that will lead to success.

### **5. Continue to carry out the plan**

According to Eker, failure in this step is what prevents most people from achieving their goals. "We are creatures of habit, and we have to continue doing the action for it to become a new habit." Continued action requires commitment (this is why step two is vital) and means carrying out the requirements even when you don't feel like it. If your objective is to earn 50% more income, then it will probably mean that when others are sleeping or partying, you have to be working at a second job or creating a business.

It's also important to review your action plan periodically and make adjustments if it's not working the way you intended, or if your objectives have changed.

(Originally published in THE DAILY OBSERVER, Thursday, January 18, 2007)