



## 5 Simple Changes You Should Make to Your Money Priorities

*Money mistakes take more forms than just forgetting to balance your checkbook or making only minimum payments on your credit cards. Your biggest money mistakes happen when your priorities are backwards. Here are 5 ways we all slip up - and simple steps for turning it around.*

Don't tell me you haven't made any money mistakes – better yet, don't tell yourself you haven't made any money mistakes.

Everyone makes them and I don't mean just the big ones – on a day-to-day basis, we are all guilty of making money decisions that are not supportive of our bigger vision for our life.

Let me start then, by sharing with you my big mistakes from last year because a big part of mending money mistakes is to know what they are.

### **Mistake #1 – Not Looking After Yourself**

I did not take enough time to look after myself. While I love my work and almost everything about it, believe it or not there are other things I enjoy doing. Because there is always something fun and exciting and necessary to do, I did not take the time to exercise enough, go to bed early or take time out to just be. I know that last year I was more a human doing than a human being and that if I continue on this path, I will wear myself out and end up no good for anyone. All work, even enjoyable work, is not a balanced life or sustainable lifestyle.

### **Mistake #2 – Neglecting Time with Family and Friends**

I did not spend as much time with my family and friends just for fun. I am extremely fortunate because I work from home and my family is around all the time. We make an extra effort to plan travel together, and while we probably spend as much time together as we can given work, school and other social commitments, we did not take the time to just 'hang out' together and play a game, watch a movie, go for a hike, or bike-ride or putter around the garden.

### **Mistake #3 – Failing to Follow-up and Stay in Touch**

I did not communicate enough with my clients and prospective clients. And, I did not stay in touch with all the amazing people I have met throughout the year. Throughout the day, there are always lessons and situations that come up that are valuable teaching opportunities. For some reason, I have not taken advantage of all the amazing technology available to share these thoughts with you. It is one of my commitments for 2008 – to be more consistent with the blog, audio, video and written communication.

#### **Mistake #4 – Trying to Do Everything on Your Own**

I continue to fall back on an old habit - trying to do everything myself. This isn't because I don't have great people to help me, it's just that for most of my career it was me. I was self-employed and if something was going to get done, it was going to happen because I made it happen. Well, in a corporate environment, if something is going to happen it's because the team made it happen.

#### **Mistake #5 – Starting Something New Before the Prep Work is Done**

And, the big one... I started something before something else was done. This mistake needs to be written into an entire book. Let me summarize by giving you an example, because in 2007, I experienced the money mistake that I see again and again with my clients and the people I meet, just in different circumstances: I put a budget together, but before the money was completely pulled together, I marched forward. That single mistake has cost me stress, money, lost opportunities and the most valuable thing of all – time.

Starting something new before completing something else is a common money mistake. It's the mistake that people make when they start saving for something – they buy it because it goes on sale, not because they have the money for it; and it's the mistake people make when they retire – they leave work because they have reached a certain age – not because they have arranged their finances to live a financially independent life.

#### **Find the Right Sequence**

This mistake could be the biggest of all that needs mending for most people – to do things in the right sequence. We have to look after details in the right sequence. We have to look after ourselves before we can look after others, and we have to look after the details before we can realize the big picture.

#### **Don't Slip into Crisis or Windfall Planning**

The out of sequence financial plan is everywhere with the constant tendency to jump the sequence and go right for the quick fix and to do the urgent and immediate activities rather than the not urgent but important ones. It's constant and yet we all know the sad statistics of lottery winners who end up with very little money left, if any, within a few short years of their winnings. That same lure is what we call windfall planning. It's why people who receive inheritances, divorce settlements, and debt consolidations continue to struggle with money.

#### **Take Stock of the Good You Have Done**

When we focus on what we did wrong and at the same time try to set goals, we are just creating a bigger gap between where we are and where we want to be where the bridge to connect the two is a flashing light telling us “we'll never make it because we're no good – look at all the bad things you did before, what makes you think you can get to the other side and have those goals?”

So, while it's extremely important to be aware of your shortcomings when mending money mistakes and setting and writing new goals, it is even more

important that you take stock of what good you have. And that good becomes the first step of the sequence that connects your current situation to your goals and dreams. To start the year off and mend your money mistakes, take stock of these important first 3 steps – in sequence:

1. Where are you today (what is good and what can you do better)?
2. Where are you going (what are your goals and dreams and why)?
3. What do you have to work with (specifically, what financial and non-financial resources do you have to build your bridge with and mend your money mistakes)?

And lastly, step 4 would be to ask for support... so, how can we help?

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Money expert Tracy Piercy, CFP is the founder and CEO of MoneyMinding Inc., a wealth building system that turns conventional money wisdom upside-down. MoneyMinding offers a turn-key marketing and coaching program for advisors who understand the importance of empowering their clients with education, and are looking for a system to streamline their client financial education process.

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