

NO MORE RESTRICTED SPENDING!

Recent publications in national media have demonstrated loud and clear that consumer debt in North America is on the rise and reaching epic proportions. And so far I have seen many suggestions that the answer is to put ourselves on a spending diet and restrict our lifestyles - hardly palatable to most people comfortable with a certain quality of life. I'm going to suggest a different approach that might indeed create the same results but with less pain.

First, consider some dictionary descriptions for the word **spend** as it relates to money: "To use up or put out; to throw away; squander; to give up (one's time or efforts); sacrifice; to wear out; exhaust; to expend money or any other possession; to consume, use, or part with; to waste or wear away; to vanish. Hmmm... It's fairly easy to see that some money does get "squandered" and it definitely vanishes if we don't manage it effectively.

Now consider the word **restrict**: to limit; to confine; bound; circumscribe; restrain; repress; curb; place restrictions on; limit access to; restrict the use. Yikes!! If we were told to restrict our spending to eliminate debt, this sounds more like financial prison. But, isn't that what debt is?

The word we use to describe how to "restrict spending" is "**budget**". When we talk of putting ourselves "on a budget", or "it's not in the budget", it confines our ability to use our money the way we would really like. It's interesting how we don't think of being in debt the same way. I know I have always thought of a budget as something that restricts spending and limits freedom – hardly something most people consciously want to impose on themselves.

The dictionary describes budget this way: An itemized summary of estimated or intended expenditures for a given period along with proposals for financing them; a systematic plan for the expenditure of a usually fixed resource, such as money or time, during a given period; the total sum of money allocated for a particular purpose or period of time; to plan in advance the expenditure of; a sum of money allocated for a particular purpose. This sounds more responsible and business like, than restricted to me.

The process we need to implement in order to be financially in control has been perceived as remarkably negative. "Restricting wasteful spending" or "trying to get by on not enough" was my perception of the term budget. However, the impact of the real definition reinforces my main point: that lasting change can't start until after there is first **awareness** of the problem, then of the potential solution(s). It's simple, yet few people are really prepared to even admit they need to consider a budget, probably because of their negative perception.

This brings me to the next point: **attitude**. What is your attitude towards your current financial situation? What is your attitude towards your current spending ability (or inability)? What is your attitude towards the idea of a personal or family budget? What is your attitude towards this article? Will you do anything different to get a different result?

Your next step is to **be aware of your attitude whenever you make a financial transaction**. Why? Because if you are hesitant or under financial stress of any kind (including guilt or fear regarding any purchase - regardless of how small or seemingly important), it creates insecurity and threatens your peace of mind.

In contrast, when you have wealth you can do the things you want to do when you want to do them. What will it take to make you give up your attitude that everything is okay, when really you have debt and are frequently wondering where the money to pay for all the things you'd like to buy (or need to buy), is going to come from? If you have enough cash flow you can accumulate credit, **but a truly wealthy lifestyle isn't financed on a credit card or by re-mortgaging homes**. What is your real attitude towards money: wasteful, restricted, or systematic?

Do you have a budget? Do you even know why you would want to have one? What is the end result you're after and what will it mean for your life? **What are your highest priorities?** If you died yesterday, what would be your regrets? These questions require you to have a personal vision for how you would really like to live your life, and this comes back to awareness. You need to become mindful of how your activities including **your spending habits reflect your true vision**.

The seven questions outlined below can be kept close to your wallet and used as a reminder of your priorities. Only you decide your future; and awareness and attitude towards taking responsibility for your financial destiny are first steps! And, if you decide to create a "budget", understand that it isn't about restriction: it is about taking control of the spending that has created the financial debt that has caught the attention of the media and panicked most of North America's consumers.

Your future is determined by your small decisions made daily. Before making financial decisions ask yourself these questions and take control of your financial future:

1. **Why do I really want this now?**
2. **Do I have cash for it today?**
3. **How many hours, days, or weeks will I have to work to pay for this?**
4. **Is there something I need more?**
5. **Do I need to get rid of, or change anything before I buy this?**
6. **What if I don't buy it today? Can it wait?**
7. **Can I get by without it?**

If you like these questions and would like a keepsake wallet version please email tracy@moneymind.com

A handwritten signature in cursive script that reads "Tracy".