

Decide 'WHY' you want to budget. (Outcomes)

Staying consistent with a budget is very challenging if you're new to it and don't fully understand why it's an important thing to do. Many people set the intention to budget for one month, then 5 days in, stop following the budget. This causes us to overspend which makes creating a new budget harder, because we'd have to face the negative feelings of letting ourselves down by not following through on our last budget, and the additional blow of being in a worse financial standing.

This cycle then enforces the anxiety around watching our finances and prevents us from improving our behaviors.

I think the reason this cycle exists is that most people talk about budgets from a position of forced discipline and financial lack. It's a black and white list of things we must do, or we'll face the consequences of eternal poverty, and at the same time, it isn't fun to do.

Here's the mindset shift that made budgeting fun for me: *Budgeting is about creating present and future options.*

Think about it, we decide the items that go into our budget and how much money goes toward each item. You can choose to pay debt slowly, quickly or leave it out all together. It allows you to spend money at *your pace* and on *what you want*. A budget allows you to **intentionally** create any financial experience you want for yourself.

How fun is it when you're planning a vacation? You'll maybe think about where you'd like to stay, what you'd like to see and how you'd like to eat.

A budget is the same opportunity, except you get the pleasure of choosing exactly how you want to live each month. You'll think about spending, saving or investing. Paying down debt, or purchasing something new.

It's the choices that can then make the next month or year significantly easier, significantly more exciting or significantly more challenging depending on what you choose to create for yourself.

There are only 2 things you need to do to make budgeting work at its best, specificity and consistency.

See action step below :

Action Step - 1

If you already know what options you want to create for yourself, then fill in the answer below :

1. My primary reason for budgeting is _____ (Emotionally inspiring reason) _____.

2. I hope to accomplish _____ (Outcome) _____ by budgeting.

Examples.

1. My primary reason for budgeting is to break free of working for others.
 2. I hope to accomplish a 1 year emergency fund that I can use as a net while I grow my own business by budgeting.
-

Understand your current relationship with money.

We all have default money habits. Some people spend now and figure it out later, some people save now, then save later and never have any fun. Both of these are bad relationships with money.

Then there are people that can find a balance between enjoying the present moment, preparing for the future and saving for a rainy day.

The goal for this chapter is to get you to a healthier relationship with money, but first we have to understand where we currently are, and which direction we need to shift.

Our behavior patterns around money usually come from the same place we learn about everything else, the people that raised us. Examining our experience of money, starts with an examination of what we believe to be true about money, then reframing that.

If you're still unsure if your relationship to money has a place in your budget, consider this. If we were all rational with money, everyone would be investing regularly, avoiding debt when making purchases, and making a budget before spending a cent. We'd all be rich.

First, you'll answer some questions that can help you understand how you currently perceive money, then I'll share some of the typical habits that discomfort around money presents itself as.

Understand your current relationship with money.

Please complete the following sentences :

1. Growing up I often felt as if money was _____.
2. The most common phrases I heard about money growing up were _____.
3. Talking about money in my home, made me feel _____.
4. I currently recreate that feeling or protect myself from that feeling by _____.
5. If I have more money, I'll have to _____.
6. Money is _____.
7. In the last 5 years, my bank account showed that, I'm most comfortable with money when _____.
8. Money represents _____, to me.

Common habits discomfort around money presents itself as:

(Avoidant behaviors)

Difficulty talking about money with other people.

Secrecy around your spending with your partner.

Procrastinate gathering or avoid looking at your current financial situation.

You don't know how much you earn, where your money goes or how much debt you have.

(Reactive Behaviors)

Feelings of defeat around doing a budget or being advised on money management.

Catastrophizing with money : *"I'll never be able to get by", "All rich people are evil"*

Regular irrational purchasing against your priorities.

Connected feeling of self worth and financial status.

Assuming that things will work themselves out

(Anxious behaviors)

You have difficulty feeling peace despite having a large savings.

You're constantly trying to save on things that should bring you joy.

You fight aggressively to save 1 or 2 cents, even involving friends.

You're unable to spend generously on yourself when you're financially healthy.

Money comes and leaves your possession very quickly.

Author Notes:

At one point or another, I've lived each and every one of those common negative habits and I know it's extremely difficult to stick to a budget and enforce that change deep into our sense of self.

I myself struggled with this for a LONG time, and even to today, there are months where maintaining my budget is harder to do because I've momentarily slipped into my old avoidant behaviors.

The light however is that the slips are significantly shorter, because my relationship to money and money management has changed. That's why I'm currently writing this ebook to help others like me and you feel a sense of confidence and freedom financially, for perhaps the first time in their entire life.

If you got value from this excerpt, I'd love your feedback as I fine-tune it to help others in the form of a simple review.

Here's a magic link to take you to that : <https://forms.gle/Ut1FWeMdczddyLZRA>