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MONEY

At the bottom line, money can be a very simple issue--if you stick to the Basics: you get some money, then you spend it or save it.

In practice, however, money management gets complicated by our emotions, our values, other people's desire to get some of our money, and our frank disbelief that we cannot afford many things we want, need or expected to have. So, each choice to spend or save requires **good judgment** in order to stay out of financial trouble.

Here's a few concepts, principles and ideas to help keep your money management on track for success.

- ❑ Income is the money that has already come into your hands, and--to be safe--you can't count on any money until the check clears the bank or the cash is in your hands.
- ❑ Fixed expenses—food, rent, clothes, getting to work—come out of income first.
- ❑ Savings “for a rainy day” come next: if only \$5 a bimonthly pay check, that's \$120 a year.
- ❑ If there is no money left after the basics, **you cannot afford** to buy anything else.
- ❑ If money is tight, take the time and cut unnecessary/wasted expenses. For instance, cooking your own food saves bags of money compared to fast food or eating out; not lending to friends who never pay back is another cost cutter.
- ❑ **Fun expenditures are optional**, like a night on the town, party clothes, cars, meals out, gambling and vacations -- even though ads and even friends try to make you believe you “deserve” them and therefore should buy them.
- ❑ Be creative and find or make free/low cost fun experiences with friends and family.
- ❑ Cash [or debit] and Carry is the safest way to go to stay solvent [not in debt.]
- ❑ **Credit card spending is borrowing** and will cost you interest+loan if not paid *in full every month*. Good intentions don't count. Credit card interest is wasted \$\$.
- ❑ **Debt is a powerful force** that can threaten your lifestyle, your health, your happiness, relationships and your integrity. The housing crisis was driven by debt.
- ❑ Social and political power - yours and that of your community - is closely related to wealth. Accumulating wealth requires longer term savings and investments of “extra” income. Borrowing to accumulate wealth is a risky business and requires some expertise to be successful. Success stories make news because they are uncommon.
- ❑ Money can play a powerful role in relationships. Self-Awareness from the beginning is the key to not becoming trapped by money in your relationships.
- ❑ If you know what you need to do about money but can't seem to do it, use the FEELING MANAGEMENT handout to walk yourself through the challenge.
- ❑ Download the JUDGMENT handout to help with a money decision you have now.