

How are YOU doing?

Remember one month ago when you were engrossed in all of the holiday spirit? Think back and imagine the smell of freshly baked goodies, beautiful decorations throughout the stores, and holiday music in the background. The love was flowing, gifts were being purchased, and now it is all over. So, how do you feel today? I hope you only spent what was saved in your bank account. If you overspent, was it worth it? Will you be able to pay all of your bills in January? Were these gifts that you purchased more important than other goals such as paying down debt, saving for college or saving for retirement? Do you feel your family would be less happy at the holidays if you spent less?

One of my clients shared a story with me that changed my perception. She told me that her husband was laid off right before Christmas and they decided to purchase many small gifts rather than a big one. Their goal was to make Christmas look plentiful under the tree but were conscientious not to overspend. She said it was one of the happiest of all. She thought it would ruin her Christmas and it did not at all. This is what changed her perception. Personally, I do believe that my kids do not love me any more or less according to how much I spend on them. In fact, when my kids were small, the grandparents gave my kids a small \$5 gift and deposited money into their college funds. I'm not sure they really noticed until they were in grade school. As they became older, these college savings deposits by the grandparents just instilled the assumption that they were going to college. Additionally, you need to show your kids how you handle money. What message do you want to send?

I know this does not sound festive or romantic; however, would it be so hard to enjoy ice cream on Valentine's Day with your sweetie and enjoy your time spent together instead of a fine restaurant? For instance, you may prefer to take a nice vacation every year and are willing to give up a weekly restaurant visit. This is all perspective. Decide what values are most important to you, and then change your spending to reflect what is most important to you. Get rid of the little stuff that really does not matter. Maybe if we went out to lunch only two times a week instead of every day, we would appreciate the treat? If you bought coffee a few days a week instead of every day, would you enjoy that coffee just a bit more? I have a retired client that will play golf two times per week; and if he plays golf more than this, he said it feels like "work". Is there something you are willing to give up so you can gain something else?

Look back on your holiday. Be honest with yourself and find something to cut down, spend less, or give up; especially if you are still paying the bills and the budget is tight right now. Remember this feeling so it motivates you to stay within your budget. Start the inflow/outflow exercise that I mentioned in my last column. For a review, just take your bank statement, circle your total checks written and ATM visits and add these up. This is your spending or outflow. Compare your outflow with the total deposits for this month. Be aware of how and where you spend your money. Look at your inflow and outflow every month when you receive your bank statement. DO NOT spend more than you earn. Spend your money on what you value most.

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