

## **Changing the Stats on Living Paycheck to Paycheck**

A recent study showed that nearly 60 per cent of North Americans live paycheck to paycheck and should that money be delayed for any reason, these individuals would have serious challenges paying their bills on time.

The first step in changing this behavior is to understand how much money is coming into your household and when and how much money is going out, to whom and when. You can download my free report at [www.margaretlgoodcga.com](http://www.margaretlgoodcga.com) and you will find a chart listing the typical expenses a household will have. Fill it in and then make a plan to adjust your spending or increase your income.

Increasing our income and/or decreasing our expenses is easier said than done for most of us. For this reason alone it is important for us to write the numbers down that way we can see it in black and white. Most of us avoid this step because it can be quite painful. Even for those of us making six figures or more, the reality of not making ends meet exists. We all know the rules, we all go to financial planners and we have all heard the words “pay yourself first”.

So why do we avoid putting the pen to paper? For some of us, not making ends meet causes us to feel like failures. For others of us the ostrich with our head in the sand works because if we don't know what the problem is we then don't have to fix it. We like the way we live. So, we hope some miracle will come along and solve the problem for us like a new job, a raise or the lottery. The reality is we need to be courageous and take new steps.

For many of us who did pay ourselves by putting money away for retirement, we have seen the stock market crash and swing like the pendulum of a grandfather clock. We have followed the rules and are totally frustrated with the system. January comes along and we feel guilty about whether or not we can contribute to our 401K's for those of us in the United States or to our RRSP if we live in Canada.

None of us like pain but all of us have the ability to change. Change is difficult because there is always a risk involved that things will not turn out the way we want them to. Mary Kay Ash always said “Shoot for the moon and you are sure to land in the stars.” So write your present situation down and make a plan to do at least one thing differently to put you closer to your financial goals. Make that first change something you can accomplish easily so you can gain some self-confidence. It can be as small as taking your lunch to work 3 out of 5 days a week instead of buying your lunch everyday to selling your car and taking public transit.

Be clear about what your needs are verses your wants. A lot of times our needs are quite simple. Food, shelter, clothing and transportation to and from work and church are our needs, the rest are usually our wants. Once you have reached one financial goal, reward yourself. For example, if you have stopped purchasing paperback books for a month and

used the money to pay down your credit card, used your Air Miles Card for example when you purchased your groceries, take your points and purchase a book which you know is a valuable addition to your personal library and will be treasured for a long time.

Small wins will give you courage to make those bigger changes. As babies we were all encouraged to take one step at a time. When we stumbled, we were encouraged to stand up and try again and before we knew it we were running. Our financial success works on the exactly same principle. So let's stand up and take that first step.