10 Keys to Financial Happiness

Adapted from “The 10 Commandments of Financial Happiness,” Money Magazine

The Main Thought
♦ The key to being happy isn’t ___________________________
♦ It’s ___________________________ over your finances.

It’s time to take back our lives
♦ To do that, we need to take ___________ of our money.
♦ Need to do it in a way that __________ make us feel guilty and second-rate.
♦ Need to do it in a way that __________ make us feel good, happy, and smart in our decisions.

Author looked for ___________.
♦ But __________________________ find any that specifically dealt with what to do to improve our relationship with money.
♦ Result: Money hired a _________________ research firm to determine:
1. Influence of money on happiness.
2. What habits, attitudes, behaviors and knowledge separate those who are satisfied with their financial lives from those who aren’t.
3. What effect changing those characteristics might have on our lives.

Research revealed a lot …
♦ There ______ a connection between income and happiness.
♦ Having enough money to ...
  – … ____________,
  – … have a good time,
  – … buy things you want,
  – … weather a financial crisis…
♦ Makes us feel more ___________ – and happier.

But …
♦ The research also found that you do not have to be a millionaire – or ___________ – to be happy!
♦ At a household income of ~$______________, the “happiness curve” flattens out.
♦ _________________ income in the U.S. is $42,228, so most Americans are almost there!
So …
♦ Why is financial happiness so evasive?
♦ Research found that how much you earn and how much you have don't tell the _____________________________.
♦ Lots of other factors contribute to the equation.
♦ And most of these are factors you can ____________________________!
  – ________ you can develop.
  – Information you can absorb.
  – Behaviors you can imitate.
Change these & you’ll begin to feel better, happier, more in control.

The Study Found
♦ A strong relationship between …
  – … feeling in _________ of your finances &
  – … feeling happy about your finances.
♦ And ultimately, happier about your live.
♦ It also found that control over your finances plays a ________________ role in happiness, than being in control of:
  – ____________________________
  – Health/weight
  – Friendships
So, what do you have to do? How can you begin to change?

Get (pretty) ________________.
♦ Some flexibility here.
♦ Don’t have to hire a professional organizer or spend a bundle at Organization Plus.
♦ Just need a system that will let you ________________ find important information without a ________________.
  – You can focus on the “good stuff,” because you won’t have to worry about the boring administrative stuff.

Pay bills as they ____________, rather than all at once.
♦ It makes a difference!
♦ Study showed that people who do this are happier than those who pay once a month.
♦ Why?
  – Paying a bunch of bills at once is pure drudgery.
  – Eats up a big chunk of precious time you’d rather spend doing almost anything else.
  – Doing it piecemeal isn’t as overwhelming.

How to do it:
♦ Set up a ____________ where you open your mail.
  – An in/out box will do.
♦ Stock it with stamps, pens, your checkbook & anything else you need.
♦ Get in the ________________ of opening a bill, writing the check, stamping the envelope & putting the envelope in the outbox.
  – Could use an online payment system.

Keep tabs on your ____________.
♦ Study found that, if you don’t know where your money goes, you’re more likely to be unhappy.
♦ How to do it:
  – Save receipts, or
  – Put yourself on a daily allowance based on your budget.
  – Route all expenditure through ________________ checking account, and then balance it regularly.
Save at least ____% of your household income.
- Study found a __________ relationship between saving/investing anything and financial happiness.
- Save at least 5% and that relationship grows geometrically.  
  Then slowly up the percentage.
- How to do it:
  - Don’t let yourself get your hands on it.
  - Automatic 401(k) investment.
  - Automatic transfer from checking account to savings, IRA, etc.

__________________________ your family (and yourself)
- Do all you can to protect your family from future financial hardships.
- How to do it:
  - Build a ______________ fund … 3- to 6-months living expenses.
  - Have a written ________________
  - Buy life insurance.
  - Buy disability insurance.

Minimize ______________ __________
- An interesting finding:
  - Having a low level of total debt (mortgages, car loans, home-equity loans, etc.) doesn’t make us ______________.
- Credit card debt is a totally ______________ animal, however.
  - Study showed you’ll be happier if you don’t carry a balance on your card(s) from month to month.

__________________________ sensibly.
- A double skim latte on the way to work each morning might sound great, but …
- If you _________________ it, it’ll cause you problems later on.
- Probably the hardest to rule to follow.
- How to do it:
  - Analyze your spending habits. (BORING!)
  - Then _________________ change.
  - Develop tricks to save you money.

Start working toward your goals.
- Study found that happiness isn’t a matter of ________________ your goals.
- It’s a matter of making ________________ toward their achievement.
- If you’re half-way to your goals, you’ll be happier than if you’re just wandering toward them.
  - Or than if you have no goals at all.
- Being able to see ________________ progress is the key.
If you’re married and you’re constantly fighting with your spouse about money, you’re not going to be happy.

How to do it:
- Involve each other in spending decisions.
- Before you swipe that card, ask “What will Jane think about this?”
- Before you borrow money, talk it over.
- Communicate about spending/borrowing before they become ________________.

And a ________________.
- Try not to be consumed with a desire for “__________________.”
- First 10 were behavior-oriented.
- This one’s ________________-oriented.
- Asks that you focus on enjoy the life you’ve already been able to achieve…
  - Family
  - Friends
  - Clothes in the closet
  - Car in the garage

Look around. Relax. Take a breath. Laugh. Remind yourself that wanting more doesn’t breed contentment – it breeds more wanting!