

## George's 7 - 3 - 7 Spending Plan

### Part 2 – Maximize The Gap

**Normal is...** too much month left at the end of the money, broke, no savings, credit card debt, making minimum payments, can't cover an emergency, no retirement fund, no college fund, student loan debt, stress, money fights, anxiety, worry, relationship pressures, etc..., just like the Jones Family next door.

The statistics are terrible! Yet perception is often, *"I'm OK. I'm fine. I'm good with money."*

You work too hard to settle for *"normal"* ...but normal is still available, should you choose to step back into old habits and patterns.

*Keep doing the same things you've been doing, you'll get the same things you've got.*

*Do something different to get something different! – Change can be hard, but worth it!*

#### **Part 1 - A Seven Part Spending Plan - Gain Control of Your Money**

**Not a Budget!** The Spending Plan must be working before any more progress can be made. It is the foundation for everything moving forward.

How is your Spending Plan working? What questions do you have? What do you need additional help with? No Spending Plan works perfectly the first month, but that does not mean that Spending Plans do not work. Adapt and overcome!

**Part 2 - Three Actions to Increase Gap Money - Maximize the Gap** will speed progress toward your goals, and get you farther down the path toward Financial Well-Being.

**1. Can You Increase Income?** Take advantage of education and training opportunities, seek additional responsibilities, take extra hours, work hard to earn a promotion, part time work, etc... sell some *"stuff"* you don't need (especially if you're paying for storage). A garage sale is often a good first step.

A short term sacrifice and commitment can give large results as you start, but do not expect for these steps to be sustainable over the long term.

Long term steps usually take a large commitment of time, energy, and often an investment of money – but the results tend to pay dividends for a lifetime.

**2. Can You Decrease Expenses?** Carefully evaluate needs vs. wants. Set priorities. Are you willing to sacrifice for a short time to meet larger goals in the future? How much? Buy experiences instead of more stuff. **DO NOT** cut too deeply, and be very careful about cutting an expense category to zero - it may cause too much pain. Your actions must be sustainable.

**3. You Must Track & Control "Leakage"** "*Where did it go?*" Leakage is money that cannot be accounted for. The money is just gone, and no one knows where it went. Maybe it went to extra spending that was not a priority or part of your plan: restaurants and coffee, for example. Find money that is spent outside of, or over budget. Cash envelopes help to control leakage. Apps and software can help. Consider "*You Need a Budget*" (what a great name!) [http://bit.ly/FSP\\_ynab](http://bit.ly/FSP_ynab)  
I highly recommend this software.

If you are still with me, **You are making great progress...** recognize and celebrate accomplishments! ...but there is still so much more to do! The goal is NOT to make, find, and squeeze every penny, but to find "*enough*" to maximize progress in Part 3 of George's 7-3-7 Spending Plan. "*Become Really Good with Money*" will happen by applying the Gap Money in the Action Plan in Part 3 over time.

### **More Personal Financial topics:**

The Personal Financial Counselor is here to help provide you with unbiased information... and, should you choose, referrals to other trusted professionals who provide additional personal financial products and services. The following are some topics to consider following up on...

- Saving strategies
- Debt reduction
- Relationships & money
- Credit reports and credit scores
- Handling collections issues
- Avoiding bankruptcy
- Major purchases
- Identity theft protection
- Analyzing loans
- Investing for retirement,
- Wills & estate planning
- Real estate and mortgages
- Negotiating for purchases
- Setting and achieving goals
- All types of insurance
  - Medical
  - Life
  - Auto
  - Home
  - Short & Long Term Disability
  - Long Term Care
- College funding
- Kids and finances
- Increasing income
- Resume / job search
- Etc... Etc...