

# MANAGING YOUR MONEY

## No Luck With Your Financial Goals? Taking Small Steps May Lead You Down The Right Road

(NAPS)—To improve the odds of achieving your financial goals, experts recommend setting several smaller goals instead of one big one.

“Large goals are often overwhelming and too difficult to achieve,” says Dr. Kathleen Gurney, a psychologist specializing in financial issues. “Smaller goals, implemented over time, are easier to reach and have higher success rates.”

If your goal is to save more or to get out of debt, make it easier on yourself by using financial tools that have helped others succeed.

Dr. Gurney recommends consumers use Direct Deposit and Direct Payment to help them make small changes in their behavior that end up having a big impact. “Many financial institutions and businesses offer Direct Deposit and Direct Payment which can give consumers quicker access to their money and more security when paying bills.”

With Direct Deposit, salary, wages, dividends and other payments can be deposited into your bank account automatically. With Direct Payment, you can invest or pay bills automatically.

Dr. Gurney urges consumers to keep in mind three principles of goal setting. First, be reasonable about what you can realistically achieve. Break your goal into several smaller steps. Second, practice the small changes in your behavior to assure that you break old habits and create new desirable behaviors. Third, have a clear idea of the rewards you are looking to achieve.

Dr. Gurney recommends making a few small changes to help you make better use of your time and money. Here are four tips that will help you achieve your financial goals.

•**Schedule periodic meetings with family.** Get the family together to look at how the family spends its discretionary money. Address a different topic at each of the meetings. For instance, one meeting could focus on developing the family’s financial goals for the next year, five years and even ten years. Another meeting could concentrate on how the family spent its discretionary money this year

and what changes it wants to make next year. For instance, are several shorter vacations preferable to one longer vacation?

•**Set aside two hours a week for yourself.** Make changes in your daily behavior so you can free up two hours every week. Use Direct Deposit to avoid waiting in bank lines. By signing up for Direct Payment, you can eliminate spending time writing out checks and mailing bills. With the extra time you can focus on making improvements in management of your personal finances.

•**Develop a prioritized spending plan.** If you pay as many of your recurring bills as you can automatically, you will know exactly what you have left to spend at your discretion. Decide how you want to spend your discretionary income. Itemize expenditures and categorize them. Decide if you are pleased with how you are spending the money. What are you willing to change, if anything, to save more for a more rewarding expenditure or a longer-term financial goal?

•**Look at your calendar and note when each of your expenditures is due.** Think about what payments are due and when and prioritize your spending plan accordingly. For instance, if the majority of your bills are due on the same date, you may want to set up Direct Payment with some of your billers and request that they move the payment due dates. This will help you to allocate funds for the month.

*The Direct Deposit and Direct Payment Coalition was formed to promote the benefits of Direct Deposit and Direct Payment to consumers, companies and the country. The coalition, composed of the Federal Reserve, NACHA—The Electronic Payments Association and regional ACH associations, sees Direct Deposit and Direct Payment as leading services in a system that is moving quickly to electronic payments of all kinds. The coalition will observe Direct Deposit and Direct Payment Week from May 14 to 18, 2001. For more information, please visit us on our Web site at [www.directdeposit.org](http://www.directdeposit.org) or [www.directpayment.org](http://www.directpayment.org).*