

Living in the Now – Lesson 3

How to Plan for Your Future Even When You're Living in the Now

Living in the now means being fully aware of the present moment. It means focusing on today. However, it's wise to plan for your future even while you're living in the now. This is because someday your future will be your now. You want to be prepared when it comes. Here's what to keep in mind...

6 Things to Remember When Planning Your Financial Future

Many people don't spend as much time planning their financial future as they should. So as a result, when they get older, they discover that they don't have enough money to make ends meet.

You must think about your life as you get older because you're not going to want to work long, hard hours. You'll want to be able to enjoy yourself, especially during your retirement years. Not planning well is one of the reasons why many people end up returning to the workforce when they're older.

1.) You can begin your planning now.

First, decide where you want to be financially in the future. What you can do while living in the now is take steps that will make your future plan a reality.

When you decide that you're going to save money, figure out

how much you're going to have to put back when you don't have a job anymore. If you want the future of your dreams, then you have to work your plan in the moment.

Calculate the amount of money that you'll need to cover expenses as well as debts that may not be paid off. Don't forget about debts that you may not think of like your home or vacation home.

When you know the amount of money you need, divide that amount by a year, then by the months in a year. That's how much money you're going to have to put in savings every thirty days in order to achieve your goals.

You want to make this plan realistic. If you can't comfortably spare the amount of money that you want to put into savings, then you'll need to readjust your numbers. If your plan isn't achievable, it'll only discourage you.

Sometimes the desire to plan, financially, is strong but the income isn't. If you can't save the amount of money that you figure you'll need, start with a smaller amount. Then enlarge your savings as you can afford to. Putting something back for the future—even if it's not much—is better than not putting anything aside.

2.) Get out of debt.

If you don't want to grow older with debt hanging onto you, then you need to become debt free. Do that by writing down a list of your debts, the amount of interest you owe on them, and the payoff amount. Then start paying off the debts.

Some people find it's easier to pay off the debts with the higher interest rates first while others pay off smaller balances. Once those smaller balances are paid, then you can add the amount you were paying on the smaller balances to the larger ones. You'll be able to pay them off faster and save in interest. Once you have the debt paid off, take the debt

payment, and put it into your savings account instead.

3.) Find ways to lower your expenses.

Start by tracking where your money is really going. Many people spend more money than they realize. You might think that you only spend five hundred dollars a month on groceries for your family, but if you save all the receipts from “quick” trips to the store to pick something up, you’ll see the true amount you spend.

A quick trip to the store can easily add another hundred to two hundred dollars to the grocery bill.

Pay attention to recurring charges that you don’t want or use. For example, if you have a magazine subscription and yet you never have time to read the magazine, then stop the subscription.

Some of the main areas where people waste money are using cable TV instead of streaming, using credit cards instead of cash, buying snacks at the gas station, purchasing high-end coffee and paying expensive bank account fees.

If you were to add up everything you spend in these areas, it might surprise you how much money you’re truly letting go of every month. One of the best ways to see where all your money is going is to save receipts for every purchase you make no matter how small. Total these up at the end of the month and see where your money went.

4.) Stick to a budget.

If you want a successful financial future, you have to have a plan to help you make the best buying decisions possible. Without a budget, it’s too tempting to buy now and regret later.

When you create a budget, it lets you put your money where it needs to be rather than letting it slip through your fingers.

You can use a simplified budget that you create by hand or you can use one of the free templates offered online. If you budget, you'll discover that you may have more money for the future than you thought you did.

A budget enables you to check yourself before you spend money that you think is "extra." You can glance at your columns and see if that's truly extra cash or if it needs to go toward a payoff or in savings.

Keep in mind that a budget is a tool that can be changed. It's not something that's set in stone. If you find that the budget you created doesn't work for you, you can always tweak it.

5.) Let yourself become a financial priority.

This might mean you have to make some difficult decisions. You want to put money toward your future before you spend it on anything or anyone. Many people find it helpful to have money for savings taken out of their paycheck before they ever see it.

If you do this, it doesn't feel like you're "missing" money because you never saw it in the first place. Even better, you never have to worry about moving the money over manually because you know it's already in savings automatically.

6.) Keep your future goals in the now.

Put them where you can see them. Some people create a visualization board with images of what they want their future life to look like financially.

This might involve a home, a new car, helping family, taking vacations, traveling, or whatever appeals to you. You can place your budget below the images you put together to help motivate you to stick with your financial goals.