

4 Reasons Why Managing Money Today Is So Hard and What You Can Do About It

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Have you ever noticed how managing money has a feel of dieting to it? Not only is there the challenge of knowing what method will work for you, but more significantly, what method will bring a long-term, sustainable, satisfying lifestyle change for you.

Like diets, you would think that with all the abundance of available information, from books, online resources, print articles, radio and TV specials to experts, specialized services, classes and counselors, it would be a no-brainer to effectively lose weight and manage our personal finances. So what gives? Why is it so hard to manage money? Could it be related to the current pace of our lives?

Think about the following modern obstacles and consider how they may apply in your life:

1. Choice Overload

"Would you like boiled ham, honey ham, or Italian ham? American cheese, Swiss cheese or Provolone? Rye, wheat, or white bread? Should you pay off your debt or put more money in savings? Buy a no load or load mutual fund? Which mutual fund? Will this cell phone service offer better reception in buildings than the other service"?

Believe it or not, there actually was a time when choices were limited to things like ham and cheese, black or white shoe laces, white tennis shoes, silver or black frames for glasses, vanilla, chocolate or Neapolitan ice cream, paying with cash or check, one long distance carrier, and 30 year mortgages.

Where in your life right now do you have the simplicity of 2 choices?

Even though these many options are designed to make you happier, this ongoing daily accumulation of the most mundane choices eventually causes such overwhelm there is no energy left for the more important financial decisions. Have you ever been so overwhelmed you just picked anything to get the decision over with? And if so, what did this decision cost you in terms of money, disappointment, frustration or time?

2. Lifestyle Overload

Can you think of the last time you had an evening, or weekend when you had nothing to do? If you are like many, your life is probably filled with family, work, community, chauffeuring the kids, doing load after load of laundry,

catching up on emails, watching your son's soccer game, grabbing fast food or take out food to bring home, preparing for your daughters trip to college, going to the gym, shopping for groceries, clothes, electronics, or stopping for quick cash at the ATM. And, it's very likely you were on the phone during much of this activity.

So just when do you squeeze in the time to manually or electronically pay bills, research major financial decisions, compare prices, record and evaluate your spending, prioritize your financial needs, or take time to discuss financial matters with your spouse and family? Many times the expensive late fees, and bounced check fees are not about lack of money or money skills, but instead, due to lack of time to pay the bills, deposit the paychecks, or get financially organized.

3. Media Overload

Would your 12 year old really care as much about shopping at Abercrombies, or wanting Victoria Secrets garments, if she wasn't reading teen magazines and wanting to dress like singer Vanessa Carlton? Would you still have bought that Dell computer if you weren't told 100 times you "gotta have a Dell computer?".

It's hard to maintain a simple, manageable life when there is a daily bombardment from TV sitcoms, commercials, celebrities, movies, computer games, websites, and magazines influencing spending in every facet of our lives. To feel trendy, we notice how to dress, style our hair, feed our pets, furnish our homes, travel, play as well as how to invest our money.

Even the gym is no longer neutral territory. Once you caught up with the latest fashion magazine on your 30-minute treadmill workout, you realize you're thinking you just have to have that new kind of lipstick or latest cut of jeans, or you will be hopelessly old fashioned. The cost of this media overload can be financial as well as emotional.

Even if you are able to "keep up with the Jones", are you able to keep up with the payments? Notice how much energy goes into putting on the brakes for your children and/or yourself every time you are in the mall or computer store and see the exact model of something viewed earlier on your TV or computer and suddenly you just have to have it. After all, how can you pass up that tempting convenient, fabulous product for yourself, child, home, vehicle or pet? Yet, if you weren't aware of this product, you probably would not even feel like you were "missing out" if you didn't have it. Also, your monthly budget would not be disrupted by this unplanned expense.

4. Basic Necessities Overload

Basic living necessities are no longer basic. Can you imagine the days (okay, your parents and grandparents can) when you didn't have cell phones, basic cable, Internet connections, computer maintenance, software upgrades, paying to stay connected to most of your family and friends because they

lived in the same town or at least same state? Now, can you imagine even functioning in your job or family life without many of the above services? And how much are all those "basic necessities" adding to the other fixed costs in your monthly spending plan?

When you wonder why you can't seem to get ahead or make ends meet, often the problem is the increased volume of fixed expenses. Managing your money effectively may mean choosing to cut back on more of the discretionary spending to keep the expenses from spilling over on to the credit cards.

Now What?

So how does all the above-mentioned overload create obstacles to managing money? More time and energy continues to seep out as you agonize over choices, hectic schedules, and unsatisfied wants instead of spreading over to important financial decisions, productive planning and implementation of a workable spending plan.

Getting back to the original diet analogy mentioned in the beginning, there is no lack of information and help for getting out of debt and creating a spending plan. You have already discovered this website. What could be lacking is the time or energy to evaluate the plethora of information and determine what system would work best for your particular situation and then get started.

And the solution? You probably really know inside what is best for you, so below are a few suggestions to help you get started.

1. Stop and Regroup

After 9/11, everyone had a wakeup call regarding their true priorities. Review your priority list again or create one. If one of the top priorities is family and friends or more personal balance, the true value is being present and connected, not what you do, buy or have.

Which activities, responsibilities, decisions and stuff can you let go of or pass on to someone else, to free up more time to manage your money on a regular basis?

2. Pick and Save

Many money management systems already exist. Don't try to re-create the wheel or research and compare the choices to death. Choose one and start. After all these years of companies and authors refining their products, most systems will work just fine. Worrying about the best or easiest system or the least expensive one at this point is more about procrastination. Recognize that, move on and pick one system.

3. Manual or Electronic?

If you are still more comfortable with the traditional pen and paper, start

there. Or, you may be like many who refuse to get on their computer at home after spending 8-10 hours staring at their screen at work. There are hundreds of books on the topic. To simplify your decision, go with a workbook that already has monthly forms set up. The better books will help you get organized, simplify the money management process and save you thousands of dollars in the long run. Find a workbook that helps you manage your periodic expenses, monthly bills and track where the daily money is going.

You can also create your own forms on a spreadsheet. Use the workbooks and various websites as guidelines for setting up your forms. The main point is to get started and take the time to keep motivated and stay with it.

The same is true for software programs. Pick one, study it, get started and again, stay with it. The drawback for some folks is the pile up of pieces of paper and receipts, statements and records waiting to be entered when you finally turn on the computer.

4. Simplify and Streamline Have a weekly family "board meeting" with your children and/or spouse. Get input on ways to streamline events in the household. Discuss financial issues so more decisions are made ahead of time, rather than impulsively in a store. Create space and time for staying current on a regular basis with managing your money.

Reduce your number of accounts. Eliminate paying bills by check. Instead, arrange for automatic withdrawal from your bank for monthly bills, pay bills on line, or automatically charge monthly bills to your credit card if you are building up the miles. Remember to pay off the credit card bill in full or close to it.

Again, there are numerous systems for online bill paying. Find a comprehensive money management system that offers online bill paying, one place to keep all your financial account records and balances, a way to effortlessly record all cashless transactions, and to immediately see how much money is left in each of your spending.

No matter what the cost of any system you use, by really using it, it will ultimately save you at least ten times more than you ever paid for it.

Take a moment to step back, look at your life, and make decisions that are proactive and rational instead of reactive and emotional.

Remember, the cost of financial peace of mind can be priceless.

Judy Lawrence is a Budget Coach and Counselor in Albuquerque, New Mexico – after moving back from the Silicon Valley area in '09. Her best-selling book, [*The Budget Kit: Common Cents Money Management 6th Edition*](#) (Jan 2011, Kaplan Publishing), has sold over 425,000 copies. If you would like a 30-minute free phone consultation, sign up for the free e-course, or just find out more about her services, workshops and books, you can reach her at www.moneytracker.com or judy@moneytracker.com or 505-554-2638 or 408-529-6474.

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