

Get Financially Honest

Many of my clients have been undergoing some powerful transformations lately as a result of becoming "Financially Honest".

You've probably never heard of this phrase before. I developed this term to describe the process I've witnessed my clients go through. What I love about this term is how it resonates with people at such a deep level.

Answer Your Wake Up Call

You'd think people would know if they're being honest or not. That's what I thought before I became a coach. I realize now that it's easy to go through life unaware, unless you have someone holding you accountable (a close friend, a spouse or a coach). Or, unless you're experiencing conflict and stress.

Stress and suffering have a way of forcing people to wake up.

Your wake up call might be not having enough money coming in each month and the credit card bills adding up. It might be getting older and knowing you don't have enough money stashed away in retirement savings, or you have an unexpected illness or injury and you're without any emergency savings to get you through. It could be the frequent arguing with your partner because you're not showing up in an honest way in your relationship. Or maybe you're working too hard and feeling like you can't slow down enough to enjoy life.

These challenges are opportunities in disguise. Some people will wake up because of them, and others will talk a good talk, but won't be willing to change their behavior. It's easy to say, "Yeah, I know I have too much debt." My "wake up" question to you is, "What are you doing about it right now?"

Take a Fearless Financial and Moral Inventory

Some of you might be familiar with the 12-Step program (From groups like AA). One of the 12 steps is taking a fearless moral inventory. **Becoming Financially Honest requires you to take a fearless moral *and* financial inventory.**

Here's what I mean by taking a fearless financial inventory:

- Determine the exact amount of debt you have - today's numbers, not numbers that are a few months old, and not just a vague guess.
- Record this amount on paper or on your computer, and track your debt amount at least once a month

- Set a goal for paying your debt down, with a specific deadline. Make automatic monthly payments to your credit cards to pay down your debt within your desired time frame.
- Be honest with your financial numbers. Don't over-inflate how much you've earned, and how much you project to earn.
- If you're self-employed, determine how much you take home after expenses (net income) and pay more attention to that number than your total overall income (gross income).
- Know how much your average monthly expenses are.
- Determine how much money you should be putting into a retirement account, and an emergency savings account.

Here's what I mean by a Fearless Moral Inventory:

- Be honest with your partner about how you want to handle your finances, and don't just "go with the flow" to maintain the peace.
- Have Financial Dates to talk to your partner about your finances. Don't just wait for it to come up when you're feeling stress and tension.
- Take a good hard look at your spending habits. Find out what motivates you to buy. Determine when and if you spend money on things you value, things that support your life, and when and if you buy things that don't match your values.
- Take a good look at anything that might be holding you back financially. Become aware of any limiting beliefs you have around money, and make a commitment to change them.

I hope reading this inspires you to become Financially Honest. There really couldn't be a better time of year to take a fearless moral and financial inventory.

Financial Honesty is a wake up call - inviting you to an entirely new playing field.

Financial Action Steps:

1. Take a fearless financial and moral inventory. Look at all the things you've listed under this section and acknowledge where you currently stand. Identify what you are already doing and what needs to be done to support you in becoming Financially Honest.
2. Create a plan for change. Decide when, and in what order, you will complete this inventory.
3. Share your plan with someone you trust, preferably your spouse. Admit how you've handled money in the past (financially and morally), and commit to a new way of handling money.

Congratulations, you're on your way!