

Create a New Self-Image

First, ask yourself: Are you a spender or a saver? How does that affect your self-image?

If you answered spender, you might think you are more fun-loving, adventurous, and a happier person. But consider this: Boosting your saving skills can have a huge emotional payoff.

Nine out of ten savers say they are happy with their lives. They are more likely than spenders to be happy with their lifestyle, self-esteem, and even with their weight and appearance. They're more likely to feel confident, content, and less likely to feel stressed and restless. Spenders are just the opposite: They're more likely to be frustrated with where they are in life. Knowing that, which would you rather be?

Now, imagine yourself 20 years from now...

Imagine that you have paid down your debt and have been saving money regularly.

You've had a productive middle age, working hard at your job, and paying off debts, including college loans, your mortgage, and your credit cards. You made a budget and started saving a bit of money while paying down your debt. Over time you increased your regular savings and now have a nest egg that will keep growing.

You feel successful. And you're looking forward to a long, healthy retirement. You're confident that you'll have the time and energy to enjoy hobbies, travels, and family. You're in control.

Now imagine if you hadn't paid down your debt, stuck to a budget, and been saving money regularly.

Even though you had a good job, you couldn't manage to save money. Without making a budget, you never got a handle on what you were spending and where you could be saving. You've lived paycheck to paycheck and have been increasingly worried about your future. You struggled to pay back college loans, leaving no money to save for retirement.

While you still make the minimum payments on your ever-increasing credit card debt, you've noticed that many of your friends seem to be in a place where they are starting to relax more about money. You feel the complete opposite. Every penny that you earn is already spent. Yesterday, your

dishwasher finally died and you don't know how you'll replace it without adding to your credit card debt.

You feel frustrated, embarrassed, and full of guilt and regret. That is not at all how you imagined you'd feel after working so hard for all these years.

Which future do you imagine for yourself? What small steps can you take to move in that direction?