

Your Bigger Picture

Looking at an entire year can be enlightening because we all get what I call “money amnesia.” On any given day, we can feel great about packing our lunch rather than going out to lunch. In any given month, we can feel great about paying extra on one of our credit cards. In reflecting back on a year, we can feel great that we paid cash for a car rather than taking out a loan.

When I pack my lunch every day in a week I feel like a financial rock star, but if I’ve eaten my brown bag lunch on the way to Nordstrom’s during lunch time and charged a bunch of clothes that weren’t in the budget, I’m not really ahead of the game.

Our financial health is made up of thousands of small but better choices, but we have to look at the big picture to know how much we accomplished overall.

While the big picture gives us clarity about how we’re doing, it doesn’t allow us to make month to month changes and adjustments.

Focusing on the five important numbers each month will steer you toward making more impactful day-to-day decisions, and make it clear that you’re making progress.

As you embark on getting your hands around your money, seeing the bigger picture, an entire years worth, will be enlightening. You’ll see your numbers like you never have, watching your progress month in and month out. And not all the little details, like “how much did I spend eating out,” but the most important numbers. Simply, how much did I spend? Did I spend more than I earned? Did I make any progress this month? Last month?