

# *Mindful Money*

GET TO KNOW YOUR FINANCES WITH



The Domestic Economy

## **7 day challenge**

by Kylie Forbes

## Welcome

*Hi there, I'm glad you've joined the challenge! 😊 This is a personal challenge with no pressure. If you are ready to do what it takes to learn about your finances, this will help you start your money journey. I encourage you to complete the challenge, daily or in your own time to become money mindful.*

*Mindful means being conscious or aware of something. In finances, it is the ability to focus awareness on the present moment to be in tune with all aspects of our finances.*

*Our relationship with money will determine the level of focus we have to control it. Our thoughts about debt and wealth, our values and our programmed beliefs surrounding money can sometimes block us from being mindful with money.*

*Our sub-conscious setting likely stems from childhood and cognitive bias, how our needs were met and how our wants were perceived. Most of us just weren't taught to be aware of money and what it can do for us.*

*Money mindfulness is vital for successful budgeting. We're able to find extra money OR any issues to see what the truth is to make way for improvement.*

*It highlights what could be with just a bit more understanding of our ability to control our money. Good and bad habits are the very thing that controls our cash flow and being aware of our money truth gives us an understanding of our situation and what areas we might need to work on.*

*The ideal plan for our money is to live debt free, pay off the house to then start enjoying life, right? But most end up having a mortgage until well into their 50's and the plan doesn't work due to debt accumulated along their life path. Plans are hard to stick to when 'life happens' but when money mindful to see what we need to do, we can reset, focus on the future and start building wealth.*

*Becoming fully aware of your finances will improve your relationship with money by creating small changes to become mindful of where your money really goes. If you treat it well it will be wonderful for your mind and wallet.*

*This challenge will outline the things that will help you become mindful to get in control of your money. If you feel like it's too much to complete exercises daily for 7 days, save this pdf to your device and go through each at your own pace. Completing one each week to fully involve yourself at a slower pace might be more achievable to some instead of daily tasks and learning. Work through each at a pace that you will complete. That's more important.*



*Come on the Mindful Money path.*

**YOU CAN DO IT!**

*Kylie xx*



## KNOW IT

Be aware of everything by learning about your situation to understand it.

\*this may bring up emotions you don't want to feel, but it's ok to feel them because it will help to move past it to get to the facts.



## COVER IT

Be prepared so you only move forward from today.

\*plan where your money goes by following a budget for steady aim and FIRE!



## ATTACK IT

Be intentional by paying off your debt to free up money.

\*Continuous and intentional payments are the only way to get out of debt and achieve goals. It's a short amount of time and pain to be in attack mode for the fantastic benefit you'll receive.



## TURNING POINT

This is the point where anything is achievable because you've become money mindful and in full control of your money.

You can set goals when you don't have repayments and will achieve so much.

# CHALLENGE SUMMARY

<b>DAY 1</b>	<b>GET REAL WITH CURRENT SITUATION</b>
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Check your balances daily
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Track random spending for 1 week
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Find your net worth
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<b>DAY 2</b>	<b>FINANCIAL HEALTH CLEANSE</b>
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De-clutter & cleanse
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<b>DAY 3</b>	<b>CASH FLOW</b>
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Cash flow scales
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Categorise bank accounts
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<b>DAY 4</b>	<b>THE MONEY JOURNEY</b>
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Where you are
---------------

Where you want to be
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<b>DAY 5</b>	<b>EMERGENCY FUND COVER</b>
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Priority #1 The emergency fund
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<b>DAY 6</b>	<b>DEBT SITUATION</b>
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The debt plan
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<b>DAY 7</b>	<b>GROWTH &amp; MANAGEMENT</b>
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Mindful Money Checklist
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Thoughts for the road ahead
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**Day①**

## DAY 1

### GET REAL WITH CURRENT SITUATION

The foundation for managing money well is being aware. When you're aware you're mindful and able to be in full control of every dollar of your household income. You will have the knowledge of its ability therefore are able to live to your means and be content doing so or do what you need to better your situation.

We cannot have the life we truly desire and deserve if we're not aware of our path to get there. When we are aware, we're able to make decisions that further our growth and wealth. We are armed with this knowledge and can immediately use facts to decide on purchases. By knowing our situation, even though it might not feel nice, we can base money decisions and purchases based on our true values instead of wasting it on impulse buys and common unplanned spending.

We can only make decisions based on what we know. So, today's challenge is to get to know where you stand financially by looking at your current situation, truthfully.

It's ok... it's only you you're admitting to if there's any discoveries that you don't like 😊

**I challenge you to look closely at your money  
and to think about it often.**

**I challenge you to push your boundaries  
and most importantly**

**Dare to dream!**

## Bank Account Balances

Do you regularly check and know your bank account balances?

By doing so, you are always aware of where you stand. This will tell you whether you're able to spend money in certain areas or if you have to say no until you're in a better position to. It's like an instant answer to yourself when you want to buy something.



**Start checking your bank balances daily to become aware of the numbers and patterns over the course of your pay cycle.**





## Living below your means

This means that you earn more money than it costs you to live.

Are your living costs less than your total household income?

Your scales are in balance if you're living below your means which can allow for left over money to put towards debt or even better if you're out of debt, some goals you'd love to achieve. By actively watching what you spend, you're able to control exactly where you need it to be to achieve those goals.



**An easy activity that recognises where you may waste money on day to day random spending causing you to live above your means;**

**For just 1 week, write down and total any unplanned purchases to see where leaks may be in your cash flow.**

<b>Monday</b>	\$
<b>Tuesday</b>	\$
<b>Wednesday</b>	\$
<b>Thursday</b>	\$
<b>Friday</b>	\$
<b>Saturday</b>	\$
<b>Sunday</b>	\$
<b>Total amount</b>	\$

## Net Worth

How much is your net worth?

Your net worth is how much you are worth. It is simply everything you own minus everything you owe.

**\$** Find your net worth below.

Add the value of everything you own (assets)

	\$
	\$
	\$
	\$

Add up all of your debt

	\$
	\$
	\$
	\$

Subtract your debt from your assets to find your net worth

Assets	\$
- Debts	\$
<b>= your net worth</b>	<b>\$</b>

**Day②**

## DAY 2

### FINANCIAL HEALTH CLEANSE

In order to be money mindful, we need the mind space to deal with money to check in regularly. Especially if working on a goal like getting out of debt or anything for that matter; It's very hard to be concentrating on our finances if there's too much going on or too much in the way of progress.

Clutter or 'noise' in our lives can be the most distracting thing that takes focus away from really important parts of our life, causing mindless chaos.

Your day is probably spent running around doing what you have to do and never having time to concentrate on much, let alone your finances, I know right?! I find by having most other aspects of my life tidy and not clouding my mind, I'm available and aware of what's going on with my money. I can think about approaching due dates and check-in regularly. If other side-tracking things take me away from what's important, I need to tidy them up to free my mind.

I'm talking things like clutter. Messy things always in view (or out of view but in the back of your mind) creating extra work for yourself. Piles of things around the house, to do lists, messy areas and also a build up of things to deal with but you can hide like emails and washing.

Stop. Prioritise and clean up all areas that cause your mind chaos. But make sure you do this bit by bit. Slow, intentional steps to clean up each area that take you away from being in the present moment and enjoying life. Don't let unnecessary stress stop you from being the best person, partner, parent and money manager you can be 😊



**Go through the following areas of your life (and any extras you can think of) to 'cleanse' anything standing between you and ! These tend to reduce focus on the more important things like managing your life and loves, your needs and wants.**

- De-clutter the work spaces in your home like bench tops, dining table and desk.
- Delete old emails and unsubscribe to those you don't need especially store marketing and things you won't deal with.
- Clean out your wardrobe (and get the kids to do theirs too). Sell any new items not worn and donate the rest.
- Delegate one day a week to sorting and cleaning one room until all rooms have been done.
- Have a Garage Sale. Clean out unwanted clutter and get your emergency fund saved fast.
- Re-evaluate if you need the things you want to buy. Can you use what you already have to save some money?
- Get a planner and use it where the whole household can see it. This will answer where you are and what you're doing so you can be left to do it.
- Have a calendar and get the household to use it so you know everyone else's commitments and events.
- Get the kids doing chores for pocket money or commission. This will free up your time to do other things. It also teaches them about money too.
- Plan where your income will go before you are paid to be in front.
- Simplify your bill paying process by setting up transfers, auto payments and direct debit where you can.
- Using a year planner, write down when all of your bills and expenses are due throughout the year so you can see them approaching.
- Practice gratitude by writing down one thing you're grateful for each day.

**Day③**

## DAY 3

### CASH FLOW

Cash flow is the money that is being transferred into and out of the household and all accounts where money flows through. Being able to control our cash flow is super important to becoming mindful.

Controlling our cash flow is key to understanding what our income can do. We know exactly what flows in and what flows out. Where it all comes from and where it goes. We are aware of what we're to do with it.

If our cash flow is out of balance through extra spending it can create further problems to deal with like paying off credit cards. It further creates stress where we ignore the issue because we think we cannot deal with it. But if we're aware, we can confidently tackle any areas we need to, to balance the cash flow.

We are equipped to problem solve when we can recognise what needs to be done to restore the cash flow balance in the household.

Understanding how much flows through your household will make you aware of what is really going on, so you can face it and tackle it to improve your situation.

## Income & Living Costs

Are you aware of your current cash flow?

Income is all money that is paid to you coming into your control. Living costs are all expenses charged to you and paid by you to outside suppliers of products and services for living.



**Look at your cash flow to see where there are any discrepancies that need to be solved.**

### INCOME

<b>My income per year</b>	\$
<b>Partners income per year</b>	\$
<b>Other income I/we receive</b>	\$
<b>Total household income per year</b>	\$

### - COSTS

<b>Mortgage costs per year</b>	\$
<b>Groceries per year</b>	\$
<b>Car &amp; transport costs per year</b>	\$
<b>Bills &amp; other expenses per year</b>	\$
<b>Loans and debt per year</b>	\$
<b>Goals per year</b>	\$
<b>Other expenses per year</b>	\$
<b>Total living costs per year</b>	\$

### = CASH FLOW

<b>TOTAL INCOME</b>	\$
<b>TOTAL COSTS</b>	\$
<b>= LEFT OVER INCOME TO UTILISE</b>	\$



## Bank Accounts

How many bank accounts do you have?

Open as many fee free accounts as you need different baskets to put your money in within your budget. Always allocate to each basket, or account each pay. If you need to open 8-10 accounts so be it. Many baskets for your money keep it organised and easily managed.



**Make a list of bank account categories you could have to separate the money within your budget keeping it organised.**

Bank accounts needed


**Day④**

## DAY 4

### THE MONEY JOURNEY

There is a proven and simple plan of money principles designed by grandparent's way back and taught by Dave Ramsey. It's the logical order that we should be controlling money by. I like to teach this system because it makes sense mathematically, emotionally and creates financial mindfulness.

Truth is, too many are in such a hurry on their journey that they take short cuts and get themselves into debt by trying to get there too fast by travelling on the wrong path. The straight down the line road to travel will get you to your goals and wealth faster and without risk.

Your money journey is personal and everyone's situation is different but the order of steps taken to achieve wealth will get everyone there if doing one at a time from 1-8 without short cuts as each leg of the journey takes care of the next by protecting you from going backwards.

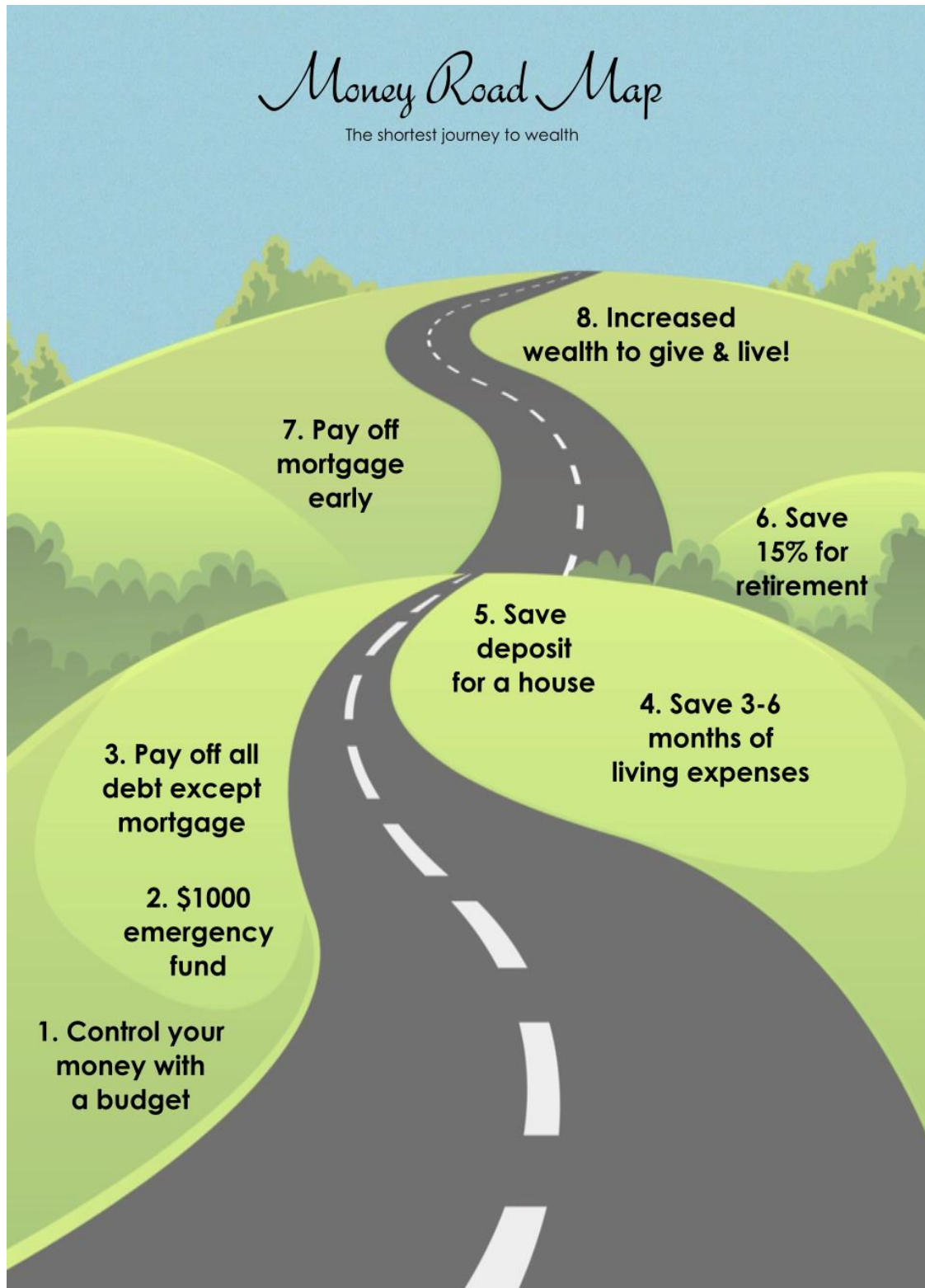
- ✓ It gets you in control of your money.
- ✓ It covers your bum.
- ✓ It gets you out of debt
- ✓ Each step will free up more money.
- ✓ Pay off your mortgage early to create wealth.

It can take only between 1-15 years to travel the whole money journey using the Money Road Map. The sooner you get on your own money journey the sooner you'll be able to live and give like you've always wanted to.



## Where are you on the Money Road Map?

How many years would it take your household to get to the last few legs of your journey?



**Day⑤**

## DAY 5

### EMERGENCY FUND COVER

I can't recommend a simple \$1000 emergency fund enough. It should be an early stage of getting in control of your money to provide a bit of insurance cover for your budget in case of those rainy days.

Emergencies can ruin the flow of your budget if they strike, and they do! But having a small emergency fund ready to use in case of emergencies, your budget is free to keep working for you while you deal with the drama, without emotions that might lead you to most likely use a credit card to solve a problem.

Most emergencies to occur are medical costs, vet costs, car breakdowns, whitegoods or home appliance replacements and \$1000 is usually enough to cover any of these emergencies.

Blend these emergency costs into your budget where you can to be prepared for problems to arise in certain areas. Some insurance policies will cover any larger emergencies or repairs but for those not covered it's a good idea to create your own cover.

An emergency fund should be located separately from all other money in an account without a debit card but one that is able to be instantly transferred to another account to use if needed.

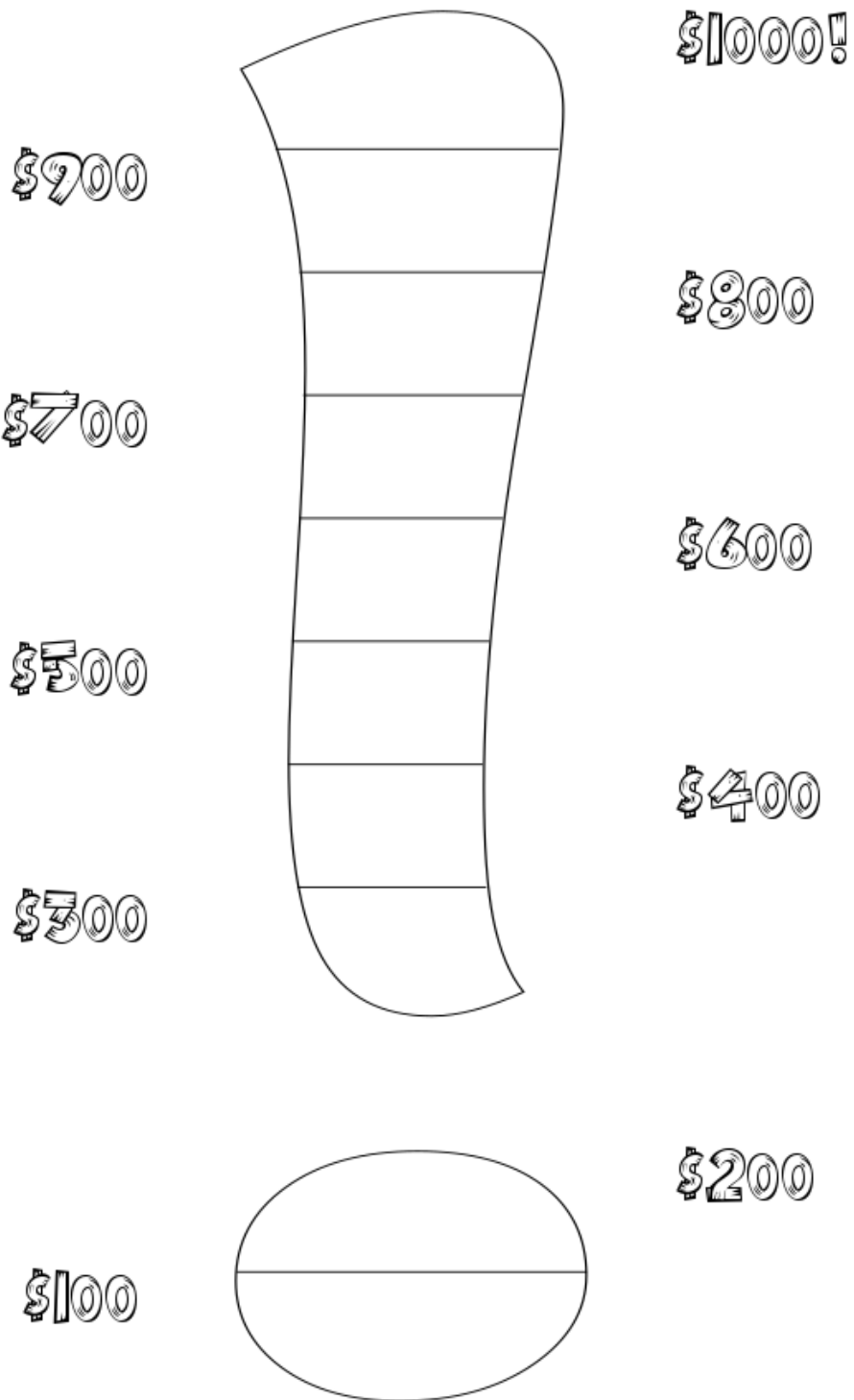
Any amount of an emergency fund used should be replaced as soon as possible to be ready for any future emergencies to happen.



**Do you have \$1000 to create an emergency fund account?**

**If not, use the chart on the next page to save \$1000. Get this together asap for complete peace of mind.**

# \$1,000 Emergency Fund



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**Day⑥**



## DAY 6

### DEBT SITUATION

Relying on debt can set us up for a bad relationship with our money. It can change the way we handle money. Just like within human relationships, when bad feelings arise it causes resentment that then changes the way we handle it. More often than not, in a disrespectful way that unbalances the cash flow.

Debt may be a quick fix but it can create a long-term problem hanging around like a shadow. Short cuts in finances are avoidable with knowledge and awareness of our own debt situation. Not only what it is now but what could be if it were gone.

We are slaves to these lenders and are continually tied to debt until it's paid off. Get them out of your life so you can have a productive income.

Getting to know the truth about your debt situation is important to move past it and your relationship with money may feel worse for the time it takes to pay off, but I promise it will improve as soon as you are free from consumer debt. Short term pain is definitely worth the gain even if it takes a year or two to complete. You'll be glad you started today instead of putting up with it any longer.

When you are debt free, you'll be surprised how fast you're able to save for things you need and want. Most double income couples are capable of saving for a car within one year but choose to spend 3-7 years paying it off. It's just not wise to get a finance company to buy your car when you're capable of paying the total cost before you drive it away.



Fill out the following debt list so you can plan to pay off your debts and become debt free.

- List each debt in order of lowest to highest balance.
- Pay the minimum repayment on each debt.
- Add an extra amount to the first debt on the list.
- When the first one is paid off, use the old debt repayment as the extra amount to be paid on the next debt at the top of the list.
- Work out the time frame needed to achieve each one. It will help you stay focused by giving you an end date and ultimately a date to be debt free!

This system gains momentum fast to allow you to see progress and improvement.

### Debt List & Payment Plan

Debt	Balance	Min Repayment	Extra Payment	Date Paid Off ?

**Day⑦**

## DAY 7

### GROWTH & MANAGEMENT

Financial management is a set of techniques or habits that ensure our financial growth. It's one thing to get to know our finances but another to put new habits into action and continue growth. We need to monitor all things financial, just like we do with our food because we are what we eat AND we are how we spend.

#### **Mindful Spending**

Being aware of our spending habits help shape our values and bring our goals into view, naturally guiding spending habits. Knowing what we spend today is taking away from our future can be powerful reminder to combat random purchases and help you focus on what you really want to achieve.

Being mindful of our most important living costs allows us to prioritise our money so we're able to distinguish between our needs and wants. If wants have been hindering your needs you now have more knowledge of your financial situation and are able to shift your cash flow with mindful spending.

#### **Stay Active**

Planning goals and watching their progress builds momentum and is factual reassurance that you are growing and nurturing your finances so you're then able to do more with your money.

While remaining mindful, check in regularly on your financial situation often so you're constantly driving forward on your money journey and use simple tools to stay motivated. That could be a notebook with your cash flow, budget and goals written in, someone else in your corner to hold you accountable or progress charts to build visual success.

Whether you're getting out of debt or saving for other goals, you will notice progress one pay at a time when mindful with your money.



Fill in the Mindful Money worksheet to see how aware you've become of your financial situation. If you cannot tick one on the list, you may need to work on this area further.

www.thedomesticeconomy.com

# Mindful Money Checklist

## CURRENT SITUATION

- I know my bank account balances
- I know my total amount of debt
- I know my net worth
- I actively watch what I spend
- I am in control of my money

## CASH FLOW

- I know how much my total household income is
- I have a budget
- I know when all of my variable expenses are due
- I allocate every dollar of my income
- I have many bank accounts for different expenses

## GROWTH & MANAGEMENT

- I have a goal plan
- I have an emergency fund
- I have a plan to pay off debt
- I am actively paying off debt
- I am debt free and saving money

## Build Wealth

Dream.

Allow yourself to think of what could be instead of dismissing possibilities in your mind. Doubting and dismissing will keep you stuck in a pattern so it's ok to dream big because this will plant seeds in your mind to change and progress.

Our money shouldn't only be about dealing with the hard stuff. Hard times are usually for a season, which will pass. When you've paid off debt, imagine how much extra money you could have each pay! Think about the possibilities of money often and do what you need to because you are capable.



**What could you do with money to create more wealth?**

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**What would it take for you to build enough wealth to create your own income in retirement?**

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Thank you for taking part in the Mindful Money Challenge. I hope that it was a helpful resource to get you thinking about your financial situation and drive forward on your money journey.

Don't lose this inspirational drive you're feeling. We have much more to do and I have created a holistic budget course for you to set up your own budget according to your income. This will get you started on your journey to create wealth following The Money Road Map.

If you need further help getting your budget on track, check out the TDE Income Outcome course at [www.thedomesticeconomy.com](http://www.thedomesticeconomy.com) where you can learn the same system I use to manage my money. It's the easiest way and by finding extra money in your budget, it will pay for itself in the first few weeks!

*"Do the best you can until you know better.*

*Then when you know better, do better"*

*- Maya Angelou*

