
Personal Finances and Your Values

What do you base your spending decisions on? What guides you in your choice of vehicles, home furnishings or entertainment? Are your values in line with your actions when it comes to financial activities?

It takes time and effort to clearly define what you want and to then build a financial plan around it. Begin by talking about your values with your spouse and children. It's important for children to hear early on what you value, as they are bombarded by so many commercial messages focusing on unlimited wants.

The following seven tips can help families align their personal values with their finances. Review these steps, take time to talk about these ideas with the family and then put together a plan of action.

Think it through: What do you cherish most in your life? What is really important to you? How do you spend your free time or how would you like to spend your free time? There are several different tools to help you review your values and come up with a listing. Such tools include *Twenty Things I Love to Do*, *A Values Audit*, *What Are Your Money Values?*, *Economic Values Game*

Evaluate your spending: What you spend your money on does or should reflect your values. All of your spending will not be in line with your values. We all, from time to time, regret buying certain items, but as long as our spending does not prevent us from focusing on what we cherish most, we are on the right track. By tracking all spending for one, two, three or more months, and then reviewing those amounts, we can better determine if our values are reflected. A variety of methods for tracking spending can be used to help evaluate spending. (See Extension Publication B-3709-3 Tracking Your Spending - <http://learningstore.uwex.edu/Money-2000-and-Beyond-Tracking-Your-Spending-P334C72.aspx>)

Budget with values in mind: Once you have a good idea of what you spend, develop a spending plan to reflect what is most important to you, or work on a plan to phase in saving for future college education or retirement, for example.

Protect future income: Surveys show that most people value family more than anything else. To make sure that your loved ones are protected should you die or can no longer earn a living, you need adequate insurance. Take the time to educate yourself on the various types of insurance; what is best for you and how much you need. Then, based on that information, shop for the best deal, getting at least three different quotes.

Save for goals: Saving for long-term goals such as your children's college education or your retirement is a key part of valued-based financial management. The root of these goals is often a personal belief or value. Take the time to determine how much will be needed for future education or for retirement. There are many websites that can help with these calculations and give you ballpark figures.



Give to a cause that counts: It's important today for children to learn about the many needs in our society, and how they can help those less fortunate. Giving time and talent as well as financial support to those issues that have touched your life or that you feel passionate about is part of expressing your values. (Select one or more causes to focus on and then when you are asked to contribute to other, you can feel good about sharing what you do support.)

Teach the next generation of spenders: Children follow the example of their parents when it comes to spending and saving. Teach your children how to spend wisely, how to save for what is most important to them and how to share with others. Giving children a regular allowance is a great tool for teaching these concepts. Parents sometimes encourage children's saving by matching contributions.

Adapted from Milwaukee Journal Sentinel Column, SavingsGame by Humberto Cruz, 8/13/2000.