

The Financial Harmony Podcast

Episode 9

Making Personal Finance Fun with these 8 Tips

See the shownotes at: ingenataliehol.com/episode9

Hello and welcome to another episode of the Financial Harmony Podcast. This is episode number 9: Making personal finances fun with these 8 tips.

Today I'd like to talk about one of the biggest obstacles people face when it comes to making progress with their finances and their financial situation. And I feel very excited about this topic as it's something where my three areas of expertise and experience really come together.

So I originally trained as a neuropsychologist, and one intriguing topic I learned about was all to do motivation and in particular how motivation can be divided into intrinsic and extrinsic motivation. Intrinsic motivation means that you feel motivated internally, because you get pleasure out of doing something or you have a strong desire to do something. Whereas extrinsic motivation means you are doing something because of an external factor, such as a reward or the avoidance of a negative consequence for not doing something. To give an example of both these types of motivations, let's say that you are working on a project at work. You might feel really motivated to work on it today because you enjoy the project in itself. It gives you a feeling of accomplishment or purpose, or you enjoy working with the other people involved in the project. Those would be intrinsic motivations that'd feel. An extrinsic motivation could be that if you don't work on your project today, you might miss a deadline. Or your boss might be chasing you up on it. The deadline and your boss are external reasons to resume the task, not internal ones.

For the past 14 years I have worked as a teacher and a teacher trainer and I have always found it a fascinating part of my job to find the right type of motivator for every single student I have taught and every single staff member I have trained, to help them with their learning. And it's amazing to see how different children and adults have different motivators at different times or with different topics. As motivation is such an important requirement to learning, I feel it is really worth finding each student's motivation to help them keep at their learning. When you lose your motivation, you lose your desire to keep going and that usually results in giving up on your mission. Depending on the topic, some people have more of an extrinsic motivation, whereas others have more of an intrinsic motivation, but you can of course have several factors helping all at once.



The Financial Harmony Podcast

Episode9: Making Personal Finance Fun with These 8 Tips

ingenataliehol.com/episode9

Although it is generally believed that intrinsic motivation is slightly more powerful than extrinsic motivation, finding a nice combination of motivators can supercharge your efforts in pretty much anything you set out to do.

Personal finance is no different. I feel very passionate about making personal finances not only easy but even more importantly: fun. As it can be fun, if you find the right motivators for you. If you're just working on your personal finances because you think you should or because others are telling you to do so, then I know you'll probably give up soon enough. If on the other hand you turn personal finances into a fun project that you look forward to working on every single time, then my friend you will have a much higher chance of reaching your goals and creating the financial situation that you aspire to.

And let me tell you that personal finances really can be fun. So in today's episode I want to go through a few ways to do so, based on using both intrinsic as well as extrinsic motivators to help you achieve this.

As always, I have got you covered in terms of remembering all this information, in the form of a short and sweet download of the different tips I talk about today. You can find this free download in the show notes on ingenataliehol.com/episode9.

So let's start making personal finances a little more fun!

Tip number 1 - Dream big

Now one way to boost your motivation is to allow yourself to dream big. I know this comes up a lot in my podcast but that is because it is such a powerful way to make your finances fun. If you let yourself dream big, you envision an exciting future which means new goals, and therefore more reasons to get started on improving your money situation. Allow yourself to imagine what you would do with more money, what the one thing is that you would love to do or have more than anything in the world, or what your dream life would look like. Or think about how you would like your retirement to look.

It is the big dreams that are exciting and that can give you the motivation and reason to keep going for it. So now and again make sure to let your mind wander and fantasize about some exciting long-term prospects you could pursue.

Tip number 2 - Set goals and timelines

What would you prefer: cutting down your expenses by \$300 to transfer that money into your savings account every single month, or cutting down your expenses by \$300 to transfer that money into your savings account every single month so you and your partner can buy a beautiful house in 3 years' time in the countryside where you can enjoy the fresh air and raise your children with much more space and the option of outdoor activities? Reducing your spending suddenly seems a lot more worth it if you know why you're doing it and what you're working towards.



Saving money can be incredibly boring unless you know why you're doing so.

Whether that is to buy a bigger house, a holiday or a new laptop, if you don't set those goals, then you'll feel much less inspired to follow through. This is why dreaming big, my first tip, is so important as from those dreams, the biggest way to motivate yourself is to turn some of them into goals, as well as a timeline, for when you want to achieve that goal. When you know how much money you need and when you need it by, you can then work backwards to find out how much money you need to set aside every single month to achieve your goals. By setting these goals, personal finance becomes an exciting project that allows you to reach them.

Tip number 3 - Set milestones and celebrate your victories

If you are working towards a few big goals, then you can lose interest or motivation after a while, if it seems that you're never getting any closer to reaching your goals. If that is the case then one way to counter this is by not just focusing on the finishing line, but also identifying some milestones along the way that will allow you to celebrate and stay focussed. So if you're paying down your debt or saving for a down payment for a house and you're talking about a lot of money and several years, then make sure to celebrate when you are a quarter along the way, as well as halfway, and then again on three quarters of the way. The celebrations don't need to be big, expensive celebrations. A simple meal out with your partner, just to remember how far you've come and how excited you'll be when you reach the end goal, might do the trick. You can also do this with even longer term objectives such as saving up for retirement. Why not celebrate when you have your first year of your projected retirement expenses saved up? A small celebration everytime you fund another year of retirement can add that little extra joy and appreciation to an otherwise boring topic you might find harder to follow through with.

Tip number 4 - Stop giving importance to the things you don't really care about.

It can be easy to complicate your financial life if you feel you need to do and have it all. There's a lot of things you can spend money on, but you can't spend money on everything. Here's what I mean with this: there is a limit to what you can do with your money. You can't have it all, but if you look around you, it might seem that everybody else does have it all. So you try and have it all as well. As you feel the need to keep up. One of the most powerful things you can do, is to just drop the things you don't really care about. Here are some things that I personally don't care about, and therefore don't need to take up in my budget, which means I have more money for the things I do care about:

- I don't care about driving a new car. Now I actually really enjoy driving new cars, something I probably got from my dad, who always loves a new car, new car gadgets and the newest car features and he always made sure to teach me about them all whenever he had a new car. I also really liked it when my husband and I used to go abroad for work, pre-covid times, to attend fairs. We used to always rent a car, and these usually had fancy features my own car doesn't have. But I have decided that I don't need a new or fancy car, this just isn't important enough to me to worry about and spend so much money on when my current old car still does absolutely fine. Whenever my car does decide to give up, I'll be sure to buy a sturdy second



hand car, even if it is in a horrendous colour.

- I also don't need to have the latest of the latest phone or gadgets. When friends or colleagues show me their new phone, I am absolutely super interested, but again I am not willing to invest so much money into this, as they can be really expensive. As long as my current old phone is still doing all I need it to do, I won't be giving in to the temptation to go and buy a bigger, better or just newer version. And when I do need to buy a new phone, I'll make sure I won't be buying the newest of the newest.
- I also don't care about fashion or about having 20 pairs of shoes. I go shopping an absolute maximum of twice a year probably as I find it a waste of money and resources to throw away or replace clothes that are still totally fine. That doesn't mean I don't envy one of my friends who always looks impeccable and super stylish - I wish I could pull that off. But I know that just isn't me, so I won't be spending money on those things.

Now these are just some examples to give you an idea. And whatever it might be for you, know that it is totally okay to just let go of some things. So you don't drive a fancy car whereas everybody else does... so what? What is the worst that can happen? If you put the money you save from that into a retirement or savings account, then that is surely a big win. Next time you feel that everybody else around you does seem to have it all, just ask yourself whether they are investing in their future or setting aside money to pursue their dream? As that might be much more exciting than a purchase that will quickly become old again and deprecate in value in no-time. By taking away the things you don't care about, you can focus on the things that truly are important to you. And you'll likely take away some of your worries, as less expenses usually means you needn't worry as much about how you're going to afford it all.

Tip number 5 - Keep things simple

You can make personal finance as complicated as you want. But you don't have to. Focus on a few things that are important to you and get started with those. Once they begin to move forward or become a routine you can always add in more or set new objectives. Begin with what is most urgent or important and just focus on that. Then take your time to evaluate, adjust and make things more complex where needed when you're ready. Take on too many things and the overwhelm will quickly make sure your motivation evaporates very quickly. If you don't know where to start, you might want to check out [episode 3](#) of this podcast, which is called Your Level 10 Financial Life, where I go into the 10 principal personal finance areas to help you set goals and then choose just 2 or 3 to focus on for now. By keeping things simple, it is easier to find more joy in working towards your goals.

Tip number 6 - Set Yourself challenges

Challenges can be really powerful ways to make changes or achieve something new and personal finance is no different. One of the great things about challenges is that it adds a bit of competition to something that might otherwise be rather boring. It's usually helpful to have a specific time frame for your challenge, which is why 30 day challenges are so popular, as a month seems like a doable amount of time to try out something new. So here are two common challenges that you



can try out:

- First of all to cut your expenses: decide on one thing you buy regularly and stop buying it for a whole month. This can be your daily coffee on your way to work - as an alternative prepare your coffee at home and take it with you. It can also be cutting out or cutting down the number of cigarettes you smoke in a particular month, leaving your car at home more often or not buying name brands or a-brands and going for the cheaper store brand options in the supermarket. Now to make this challenge even more powerful, you can at the end of each day or each week set aside the amount of money that you estimate you have saved with this challenge, so you can really see some results. At the end of those 30 days, you can probably put the total amount of money saved to good use.
- As a challenge to pay off your debt faster: you can commit to paying twice as much towards your biggest debt or your highest interest debt this month by picking up extra hours at work or starting a side hustle.

Another way to set yourself challenges is by bringing somebody else on board and having a mini competition with them. So who can save the most in one week, who can find the best offers or who can sell the most in their garage sale to put towards a debt? These little things might be right for you if this type of extrinsic motivation is your thing.

Tip number 7 - Create pleasant circumstances

If you've decided to dedicate a certain amount of time to your financial planning every week, maybe to process and file paperwork, pay bills or update your budget, then make sure to create a pleasant atmosphere around this all. A few things this might include are first of all a workspace you feel inspired to work in. This starts with enough space as well as a clean space, so if you need to take 5 minutes to tidy up and wipe down your desk or kitchen table, then go ahead and do so. Then get yourself a nice cup of tea, glass of infused water or a healthy smoothie, whatever makes you feel just a little bit special. Make sure you have enough light, that it's warm enough and that you have the supplies you need, such as your folders to file, a stapler, or your checkbook for example.

This can all turn a task you dread into a much calmer and more pleasurable experience. And when you do so, you'll be much more likely to do it again next time. Whereas if you are doing this at a messy and dirty table, where you constantly have to get up to get something you forgot and don't feel calm and ready to work, then you'll probably want to try and get it over with as soon as possible. By creating the circumstances that will help you enjoy it, you are telling yourself the task is important enough to keep working on.

Tip number 8 - Reward yourself

As I am trying to show you, personal finance can be fun. But that doesn't mean that everything will be fun or that you don't need to work for it. Of course there'll be moments when it's less enjoyable, more boring or when things just don't seem to want to work out and you feel frustrated or demotivated. If you get clear on the challenges you think you might be faced with from the



beginning, this can be really powerful for when you face those challenges if you can also implement a reward system for your achievements. The way these rewards are set are completely up to you. They can be weekly ones, for example if you complete your weekly money moment to update your budget and pay your bills then maybe you know you reward yourself with a nice hot bath or a glass of wine and a good book or a take out from your favourite restaurant afterwards.

A reward can also be based on a longer term project. Let's say that you are updating your will and estate planning. You know that this isn't a topic that you're particularly excited about at all, so let's say you've given yourself 2 months in total to work on this project, because it involves a couple of different steps. Now one powerful thing to do here, is to also set aside \$10 or €10 or 10GBP, every second week for the next two months, to build up some money to reward yourself for completing the task. If you put this in a visual place then even better. That gives you a total of \$40 when you complete your task after those two months, that you then get to spend however you want. A new haircut or a lunch out with a friend for example. This is a really good way to use an extrinsic motivation to do something you feel reluctant about.

So those were my 8 tips on making personal finance a little more fun. Here's a quick recap of what they were:

1. Dream big
2. Set goals and create timelines to accomplish them
3. Set milestones and celebrate your victories
4. Drop the things that aren't important to you
5. Keep things simple
6. Set yourself challenges
7. Create pleasant circumstances
8. Reward yourself

If you're struggling to stay motivated to improve your personal finances, then I hope there were 1 or 2 tips here that you found useful and that you want to give a go and implement over the next few days.

Remember I've created a free cheat sheet with these 8 tips on there so can review them again whenever you want. You can find this free download on ingenataliehol.com/episode9

So that was it, the end of this episode of the Financial Harmony Podcast - Making personal finances fun with my 8 tips. I hope you enjoyed it, make sure to subscribe and I'll see you next time.

