



## **Pay yourself first.**

One of the most powerful things that you can do in order to build wealth (riches and prosperity) is also easy to do. When you sit down each month to pay your bills, set an amount aside and have that be the first “payment” that you make from the money that you earned. Get in the habit of making that payment to yourself be the very first thing that you do with the money that you earn. You must treat yourself the same way that you treat any of the other people that you owe money to (creditors). Decide on a monthly amount, and stick with it no matter what. If you find that you don’t have enough money in order to pay for all of your bills, the answer is not to stop paying yourself. The answer is to either do one of two things (or both): you must increase your income or decrease your expenses (bills). Perhaps it’s not so important to have a latte or ice cream sandwich EVERY day. Or maybe there is some extra work you can do to earn more money (or you can work extra hours at your job). Why is it so important to pay yourself first?

Many times, when a person gets a paycheck, this is what happens to the money: First, they take care of their immediate expenses and bills, and then they consider the rest of the money to be disposable money that they can spend as they wish until their next batch of money comes in. When you think about it, there is ALWAYS something that you could think of to spend your money on, right? If the money is easily available for spending, there’s a good chance that you will spend it (unless you have great self-control and can tuck it away). So when you pay yourself first, let’s say 5-10% of your paycheck as an example, you should immediately put that money into an account for safe-keeping. If 5-10% seems high to



you right now, you can start with as little as \$5 per paycheck just to get you into the habit of saving. (Some people say to pay yourself the first hour of your income each day). You then can take care of your expenses and bills, while having some money left over to spend as you wish (though maybe not as much as you would have under the old way). Is that really such a bad thing when the benefit to you is having money waiting for you for a rainy day? More on the “rainy day” later.

You can ask your employer or boss to automatically put a certain amount of your paycheck each month into a savings account. That way, you don’t even have to think about it or remember to do it. What a surprise you will have when you periodically peek into that account and find that your balance is growing nicely. Doesn’t matter how you do it, but just remember that YOU and your future are just as important as any of your bills. Put yourself in front of the line and pay yourself first!