



THE KEENE SENTINEL

Procrastination Nation: The high cost of dragging your feet, by Stephen G. Davis

Sunday, October 2, 2016

“Tomorrow and tomorrow and tomorrow” — it’s the perennial song of the procrastinator. And if you’re like most people, you probably know the tune all too well.

Everybody has those tasks that never seem to get done, but when it comes to your finances, time is money. If you ignore them long enough, your least favorite financial chores can have long-lasting, even devastating, consequences. So, if procrastination is “the thief of time” (the kind of hoary quote you might find in New Hampshire’s own Old Farmer’s Almanac), how can you shake off your financial torpor and finally get things done?

Here are some of the ways procrastination is costing you, followed by some tricks for ridding it:

Paying fees

For nearly every financial obligation you face, there’s some sort of penalty for being late. Mortgages, credit cards, medical bills, tuition — if you owe it, it’s probably subject to a late fee. Even the free books you get from the library are subject to overdue charges. While these fees may seem inconsequential when taken individually, if you make a habit of paying late, you could be wasting thousands of dollars per year. The real cost of paying late, however, is the hit to your credit score, which can lead to higher borrowing costs in the future.

Overspending

Do you often find yourself at the mall on Christmas Eve? Are you apt to rush to the nearest boutique for Aunt Minnie’s birthday present? Waiting until the last minute to shop almost guarantees you will spend more than you should. When the clock’s ticking, concern for your budget flies right out the window. And the same can be said of deferred maintenance. Ignoring your car’s oil change light will eventually result costly engine repairs.

Being unprepared

Perhaps you know someone who passed away without a will or other estate-planning documents and whose assets ended up in probate court. Thinking about one's own demise may be unpleasant, but without these important documents, you're virtually guaranteeing your heirs will be forced to endure the long and expensive ordeal of probate. And then there's the question of life insurance. Bite the bullet and get your affairs in order sooner rather than later.

Not planning for retirement

When it comes to funding your retirement accounts, delaying can pose a serious threat to your future financial well-being. Start early, and you can reap the benefits of what Albert Einstein called the "eighth wonder of the world": compounding interest. But procrastinate and you could face a very lean existence in your golden years. And with the average lifespan (and time spent in retirement) growing ever longer, getting started as soon as possible is imperative.

Kick the procrastination habit and start whittling down that to-do list:

Think of the consequences

Each day, a multitude of tasks vie for your attention. It's so easy to tell yourself that you'll get around to your to-do list one day. But taking a moment to consider the consequences of waiting can be all the impetus you need. How much potential income are you losing each day you delay saving for retirement? What if the unthinkable happened tomorrow and your heirs were left to speculate about your intentions? Consider what's at stake by waiting.

Get help

There's plain old-fashioned dillydallying, and then there's the delay caused by doubt. If you're unsure of the first step in achieving your financial goals, start by getting some advice. When it comes to planning your estate or retirement, the help of a professional can prove invaluable and get you headed in the right direction. An experienced hand guiding you along the way will give you the confidence to move forward.

Break it down

Remember those unused subscriptions you placed on autopay and never canceled? If the thought of combing through months of credit card statements makes you feel like taking a nap, try breaking up the task into smaller chunks. Perhaps you could search one credit card per day until you've nixed those unwanted subscriptions. A small piece of a larger, more complex financial job can be done relatively quickly, and the sense of accomplishment it will give you will encourage you on.

Give yourself a deadline

It's been said that a goal without a deadline is just a dream. If you're serious about making progress toward your financial goals, get out a calendar and decide when you will complete it. When faced with a deadline at work, it's likely you were loath to disappoint your boss and would move heaven and earth to deliver on time. Give yourself the same consideration. Pick a completion date for your project, and make a commitment to meet that deadline.

Stephen Davis is the founder and president of S.G. Davis Financial Group, LLC, an independent financial planning firm with a Keene office.