

Twelve Steps to a Life of Financial Peace

Step 10: Build in Accountability for Your Actions

“My problem lies in reconciling my gross habits with my net income.”
Errol Flynn, 1909 – 1959.

Once we know exactly what we need to do, we still face two great challenges:

1. Doing it.
2. Keep doing it.

It helps a great deal to understand what is important to us, because that provides the motivational fuel for our actions. It is also very helpful to have specific written goals. So, now that we have all the ingredients in place, we have to deal with the issue which is probably the number one reason people fail financially. They never really get started, or they quit too soon.

We are finding that accountability is helpful in many areas of life. It is used successfully in diet and exercise programs, career development, and other areas. So, how about implementing accountability in our financial lives? It can be done in one of three ways, or a combination of the three:

1. **Self-Accountability.** Very few people have the ability to do this successfully. However, it can be done. If you chose this method you will need a system, which measures your results regularly. You will need the strength to catch discrepancies in behavior and results and make adjustments accordingly. If you have never stayed on a budget, this is not the way for you.
2. **Mutual Accountability.** Find a close friend who is looking for the same type of relationship with their financial accountability. This can work with a husband and a wife, although it is usually better to have two couples working together. You should meet with your partner(s) at regular periodic intervals (at least monthly). During these meetings you will review how your actions have measured up to your plan and make commitments going forward.

A very good alternative to this is to join a group specifically designed for this purpose. These groups usually provide financial education, as well as accountability. They have had very positive results. One example of this is the Financial Peace University, designed by nationally syndicated financial talk host Dave Ramsey (www.daveramsey.com). This is a eight-session program with videos and discussion. Many people have had tremendous results from them. You can locate a local group through their web site.

3. **Professional Accountability.** As we discussed in step number two, some people are much better off using a professional to guide them through this

process. Most good comprehensive financial planners have some type of program to assist clients with all kinds of financial situations. The types of programs are almost as varied as the number of organizations. You will probably need to interview several firms to find the right match for your needs at the amount of fees you are willing to pay.

One fairly good rule of thumb is the more you need to change old habits, the greater will be your need for help. Regardless of which method or methods you chose, you need an action plan. This plan involves the types of things you will measure (monthly budget items, progress toward goals, number of “to-do” items accomplished, commitments to financial education, etc.). It will outline how frequently you are going to measure each one, and what success looks like.

Don’t be part of the statistics on people who never acted on a plan because they just didn’t get started, or they faded out too soon.

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