

FIND PEACE OF MIND

Personal Finance
for the Life you Desire

Financial Planning Worksheets

- Mindful Money Tree Exercises
- George Kinder's 3 Questions
 - Expenditure Analysis

Mindful Money Tree

The Mindful Money Tree represents an individual's relationship with their personal finances. The tree's trunk is your core identity – that intangible inner essence that makes you, you. Your identity is nurtured and strengthened by living the life you desire.

The six Branches of being reflect the different aspects of life, how you experience the world and the values you live by. Upon these branches grows the fruit. The fruit is the ultimate goal, a fulfilling life in whatever form it takes for you.

The roots of your Mindful Money Tree absorb sustenance in the form of money and other assets. It will thrive in the environment of good financial planning, but the key thing to note is that the money is not the fruit. You will need some money to grow the fruit, but a fulfilling life is the hoped for harvest, not wealth or money in its own right.



Exercises

Mindset – What is your history with money, what experiences and messages around money have you grown up with? How does your mindset influence your feelings around money now?

Branches of Being – Consider each of the six branches of being, how satisfied are you in each area and are there any actions you could take to improve things? Visit www.findpeaceofmind.co.uk/mindful-money-tree to take your Mindful Money Tree Self-Assessment.

George Kinder's 3 Questions

The following exercises have been designed to support you in developing deeper understanding of your goals and motivations in order that you can begin to develop a meaningful financial plan.

Answers should not be limited to those you think have relevance to your finances, please include as much detail as you like, no matter how irrelevant you may think it is!

Please attempt each exercise in order and do not move on to the next exercise until the current exercise is complete.

These 3 questions are used with the kind permission of George Kinder and the Kinder Institute. They are integral to George's book 'The Seven Stages of Money Maturity' and related workshops.

Q1 – I want you to imagine that you are financially secure, that you have enough money to take care of your needs, now and in the future. The question is, how would you change your life? What would you do with the money? Would you change anything? Don't hold back on your dreams, describe a life that is complete, that is richly yours.

Q2 – This time, you visit your doctor who tells you that you have five to ten years left to live. The good part is that you won't ever feel ill. The bad news is that you will have no notice of the moment of your death. What will you do in the time you have remaining? Will you change your life and how will you do it?

Q3 – This time, your doctor shocks you with the news that you only have one day left to live. Notice what feelings arise as you confront your mortality. Ask yourself: What dreams will be left unfulfilled? What do I wish I had finished or had been? What do I wish I had done? What did I miss?

Expenditure Analysis

The tables that follow are designed to prompt you to consider the full range of expenses you might expect to incur. Some of the items won't apply to you, just leave these blank or change the label to better suit your circumstances.

Step 1 – Review and record your current annual expenditure in the 'Current Expenditure' column. Start by reviewing your last three months bank statements to capture your regular direct debits and typical expenditure on other regular items such as fuel, food etc. Take an average monthly spend for any items where spending isn't consistent and multiply the monthly average by 12 to give an annual figure. Next consider your spending patterns over the year and factor in items that didn't feature over the last three months, for example holidays, Christmas etc.

Step 2 – For each expense, consider which of your values is being supported by your spending and record anything noteworthy in the 'Value Supported' column. When I completed this exercise I was shocked at how much I was spending on food – my initial reaction was to try and reduce spending, but when I considered why I was spending so much I realised that I was supporting one of my personal values of health. I choose to buy good quality, organic ingredients where possible and this costs more than mass produced processed food. I'm happy to spend more on supporting my values.

Step 3 – Having thought about why you are spending what you do, is there anything you would like to change? Record your desired expenditure in the final column. Don't worry about whether or not you can afford it, work on the assumption that you have enough to comfortably cover the lifestyle you desire.

The aim of this exercise is to get you thinking about what you are spend your money on and why. It is a useful budgeting exercise and provides a baseline from which you can plan to adjust your spending if necessary to better support the lifestyle you desire.

Tips:

Cars

Use the 'annual depreciation' column in the motor expenses table to record capital expenditure on new cars. For example, if you replace your car every three years, at a cost of £12,000 (taking in to account any trade in value for your existing vehicle) enter £4,000 in the annual depreciation column.

If you have a hire purchase arrangement in place and will need to meet a 'balloon payment' at the end of the arrangement, record the balloon payment figure (divided my the number of years left on the agreement) in the annual depreciation column.

Future Expenditure

As you work through your expenses, highlight the items that won't continue indefinitely. For example, if you have children or grandchildren it may be that associated expenses will stop once they reach a certain age. Likewise, professional fees or subscriptions may cease at retirement. Think about how your expenditure needs will change over time.

Expenses

Housekeeping Expenses	Current Expenditure	Value Supported	Desired Expenditure
Electricity			
Gas			
Water Rates			
Council Tax			
Home Telephone			
Repairs & Renewals			
Solid Fuel			
Oil			
Garden/Gardener/Plants etc			
Help in House			
House & Contents Insurance			
Other Insurance			
TV Licence			
Sky / Digital TV/ Internet			
Property Maintenance			
Other Property Related Expenses			
Alarm			
Internet			
Housekeeping, Food., etc			
Wines & Spirits			
Laundry & Dry Cleaning			
Pet Foods			
Holiday Home Expenses			
Other Private Annual Expenses			
TOTAL			

Children & Grandchildren Expenses	Current Expenditure	Value Supported	Desired Expenditure
Childcare / Baby Sitters			
Clothing & Footwear			
Education Expenses			
Pocket Money			
Other Children's Expenses			
TOTAL			

Personal Expenses	Current Expenditure	Value Supported	Desired Expenditure
Own Clothing & Footwear			
Partner's clothing & footwear			
Cigarettes & tobacco			
Eating Out			
Christmas & Birthday presents			
Holidays			
Subscriptions (Excl. AA/RAC etc)			
Sports / Hobbies			
BUPA/PPP/WPA Health Insurance			
Mobile Phones			
CD's/Books/Newspapers			
Other Misc. Spending Money			
Gifts to Charities			
Travelling Expenses other than Motoring			
Other Personal Expenses			
TOTAL			

Cost of Servicing Debts	Current Expenditure	Value Supported	Desired Expenditure
Mortgage on Main Residence			
Mortgage on other property			
Hire Purchase			
Bank Loans			
Bank Charges			
Maintenance Payments			
Other Similar Expenses			
TOTAL			

Motoring Expenses	Current Expenditure	Value Supported	Desired Expenditure
Car Tax			
Car Insurance			
Petrol & Oil			
Servicing & Repairs			
AA/RAC subscription			
Annual Depreciation			
Other Motoring Expenses			
TOTAL			

Investment & Life Assurance	Current Expenditure	Value Supported	Desired Expenditure
Life Assurance Premiums			
Endowment Premiums			
Pension Contributions			
Regular Saving in Building Society			
Regular Saving in ISA's etc			
Other Savings & Investment			
TOTAL			

Professional Fees	Current Expenditure	Value Supported	Desired Expenditure
Accountants Fees (non business)			
Dentist's Fees			
Doctor's Fees / Prescriptions			
Financial Planners Fees			
Optician's Fees			
Osteopath / Chiro Fee's			
Veterinary Surgeon's Fees			
TOTAL			