

## Since we're talking about it; have you had your financial check-up?

Written by Michelle Thornhill  
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In beauty salons and barber shops across the nation, at summer barbecues and holiday dinners, African Americans have a long tradition of indulging in rich conversation. So much so that we've created our very own cultural vernacular, or way of speaking. No matter the venue, when we come together we are ready to talk about it all, from current events and politics to music and relationships. Nothing is off limits...well, almost.

Our conversations often turn to silence when it comes to personal finances. The subject of money has traditionally been a very private matter within our culture, most likely because of our strong sense of self-reliance and pride. Whatever the reason, it's time to get comfortable and candid when talking about money matters. So here we go...

I'll start with my mother. Never a banker, my mom (like many mothers in our community) had a way of managing household finances that made it look relatively simple, at least to my brother and me. She didn't involve us in the day-to-day of household budgeting, so I never knew exactly how she was able to manage it all. What I do remember is that bills were always paid on time, period. When my mother reflects today, she shares that there were times when she needed to "rob Peter to pay Paul." However, she never failed to write down all of her bills (a practice she's continued since retirement) and manage her budget to make sure that everything was paid in full.

One reason she succeeded is that she was diligent about reviewing her list, regularly assessing exactly where we were with our family budget. There were specific objectives for stretching the family's funds, including, setting aside money for college, Christmas, tithing, vacations and savings. I'm always impressed when I think about her generation, and those before her, and how they somehow seemed to have acquired so much with so much less than we have today. They attained what they did largely because they had a strategy that they were committed to—and this was long before on-line banking. They believed in controlling their money rather than it controlling them.

I've kept this example top-of-mind as I matured. Today, I am very up front with my children when it comes to financial planning and management. We talk about it. My boys understand the concept of managing money and realize that they have to save (savings account), before discretionary spending (pulling money from the piggy bank for a Wii cartridge). Despite today's

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challenging economy, things really haven't changed much when it comes to the basic fundamentals for achieving economic independence.

The same way our parents managed every dime with purpose, we should model that behavior.

Mastering your finances starts with organization and goals. Whether you are thinking about purchasing a home or an investment property, saving for college, building wealth, or simply going on a vacation, you have to start with a plan. To begin, clearly lay out what money you have coming in, and what you have going out. A simple technique I've used is writing down every dollar you spend for a month. That helps you see where the money is going so you can prioritize and, perhaps, make adjustments. For me, that was limiting that daily trip to the coffee shop for a chai tea latte to once or twice a week (saving myself \$50 each month) – and I didn't wait for Lent to make that change. Once you have this insight, create an itemized budget.

Next, be deliberate about thoroughly combing through your expenses and transactions, and regularly reconciling your budget. If you find that you have more disposable income than projected, resist the temptation to reward yourself. Instead, consider applying more funds toward paying down debt, or to your savings or 401(k) plan.

And finally, enrich yourself. Study. Take advantage of resources designed to help you to become savvier about things like budgeting, saving, investing and building wealth for life after retirement. Wells Fargo offers a variety of free, online tools that can help you along your journey toward financial success. Visit [www.wellsfargo.com/aspirations](http://www.wellsfargo.com/aspirations) for more information.

Most of all: Don't be afraid to talk about financial matters...because we all know that "money talks!"{jcomments on}

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