



Commit To Making a Change

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*"Unless commitment is made,
there are only promises and hopes...but no plans."
Peter Drucker*

Most people make improvements to their health and finances by changing themselves without the assistance of professionals or 12-step support groups. According to a leading theory about personal behavior change, improvements, such as losing weight and saving money, take place in defined stages over a period of time. This theory, called the Transtheoretical Model of Change, has been applied to a variety of health-related behaviors including weight control and addictions (e.g., smoking).

According to the Transtheoretical Model, there are five major stages of change. At the *pre-contemplation* stage, people may not even be aware that a problem (e.g., high debt load and risk for diabetes) exists or that a change should be made in their lives. At the *contemplation* stage, they gain knowledge about alternative behaviors and begin to understand ways to change (e.g., reduce spending and increase physical activity). At the *preparation* stage, people seriously plan to make changes and gain required skills (e.g., taking a personal finance course or visiting the www.nutrition.gov Web site). At the *action* stage, they "take the plunge" and actually change behaviors. In the *maintenance* stage, people work to sustain their change and reap the rewards of their efforts (e.g., decreased debt balance and improved blood glucose levels).

Commitment takes place during the preparation stage of change. Here people acknowledge that "if it is to be, it's up to me" and begin to develop a plan of action. Studies have found that "plans to change" can predict actual changes. An example of a statement of commitment to change is "I will save \$25 per week in a 401(k)." Another is "I will take two 600 mg calcium tablets with meals daily." As people prepare to change their behaviors, they often seek "how to" information and advice. Common activities performed during the preparation stage of change are: enrolling in a class, consulting a counselor, buying a self-help book, and paying increased attention to a behavior change issue (e.g., obesity and diabetes).

Sometimes people are able to simply "will" a behavior change. When asked later how they succeeded in changing, they reply "I just decided to do it." Perhaps they drew a mental "line in the sand" at some point (e.g., weighing 180 pounds) and dared not cross it. Or maybe they became aware of the dangers of an unhealthy practice and told themselves "Something has to change" or "I've got to do something about this" or "I'm just not going to do this anymore." More commonly, however, successful behavior change requires a variety of self-help strategies and/or a strong support system.

As you commit to take action to improve your health and finances, determine what behavior(s) you are changing, the pros and cons of making changes, and how you intend to change your behavior and address obstacles along the way. To firm up your plans, complete the *Commitment to Change Worksheet*, below, for both a health-related goal and a wealth-related goal:

Commitment to Change Worksheet

Question	Health Goal	Wealth Goal
What behavior change are you planning to make?		
What are some reasons to make this change?		
What are some reasons <i>not</i> to make this change?		
How strongly do you want to change? How confident are you that you'll succeed?		
What is keeping you from changing right now?		
What steps will you take to make the behavior change?		
Will you need any help? Do you have any role models?		
When will you start taking action? Give a specific date.		
What obstacles do you expect to face? How do you plan to address them?		

Action Steps

Health

- Identify the stage of change you are in with respect to a health behavior that you want to change.
- Write a statement of commitment to change a health behavior using the words "I will."
- Identify the primary factors that motivate you to make health changes (e.g., fitting into tight jeans).
- Turn a negative behavior into a positive (e.g., I'll cut back on sweets and eat fresh fruit instead).

Wealth

- Identify the stage of change you are in with respect to a financial behavior that you want to change.
- Write a statement of commitment to change a financial behavior using the words "I will."
- Identify the primary factors that motivate you to make financial changes (e.g., fear of living in poverty at an older age).
- Turn a negative behavior into a positive (e.g., I'll cut back on lottery tickets and save the money).

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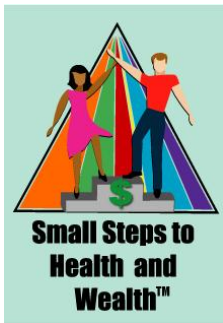
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Control Your Destiny

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**“To accomplish great things, we must not only act,
but also dream; not only plan, but also believe.”
Anatole France**

The best way to predict the future is to create it. To achieve health or wealth, expect a positive outcome and work hard to achieve it. Your attitude and beliefs about your control over future life events are important success factors. Winston Churchill once said, “The pessimist sees difficulty in every opportunity. The optimist sees the opportunity in every difficulty.” Walt Disney said of dreams “All our dreams can come true, if we have the courage to pursue them.”

Locus of control (LOC) is a concept that refers to the extent people perceive how their personal behavior influences life events. *Internally* controlled people perceive themselves as having control over the outcome of events, including their health and finances. In other words, they believe that responsibility for outcomes is based, at least partially, on their personal actions. They are “masters of their fate.” Those who are *externally* controlled typically perceive things to “happen” by luck, fate, or the control of powerful people. Life is seen as a game of chance where “whatever will be, will be.”

Locus of control is strongly related to success and achievement of personal goals and is a learned concept. Generally, an internal LOC is seen as desirable. Research has shown that males tend to be more internal than females and that people become more internal as they get older. Many people with an external LOC face numerous life challenges or lack role models and opportunities for independent decision-making. LOC is also situation specific. People are generally more internal in familiar situations where they have some experience and more external in unfamiliar environments and apt to defer to the expertise of others.

LOC is reflected in a person’s behavior with respect to health and wealth. For example, *externals*, as believers in chance or fate, are more likely to buy lottery tickets, read horoscopes, and own “lucky charms.” They have also been found to take fewer precautions to protect their health and are less likely than internals to search for health related information and to engage in physical activities. *Internals* are more likely to fund 401(k) plans and read self-improvement books because they believe that success depends on preparation, sacrifice, and hard work. They are also more likely to seek out information about maintaining their health and more likely to take action to prevent or remedy ill health.

Are you primarily an *internally* controlled person or an *externally* controlled person? In other words, do you see yourself as having some control over future life outcomes or at the mercy of fate or “the powers that be”? Dr. Julian Rotter developed a 13-item scale to test the LOC concept in the 1960s and it has been refined by Rotter and other psychologists ever since. To test your personal LOC, type the words “Locus of Control” into an Internet search engine such as Google. You’ll find dozens of online LOC questionnaires, including several for health locus of control (HLC). HLC is the degree to which people believe that their health is controlled by internal or external factors.

The original 13-item LOC questionnaire developed by Rotter can be taken online at www.psych.uncc.edu/pagoolka/LC.html. The instrument requires people to choose between pairs of statements and pick the one that best describes their feelings about their control over life events. Scores can range from 0 to

13. A low score (e.g., 2) indicates an internal LOC and a high score (e.g., 11) indicates an external LOC. Some of the questions address the following choices:

- Are unhappy events in life the result of bad luck or personal mistakes?
- Does it pay to plan things in advance or do most things work out as a result of good or bad luck?
- Is what happens to people mostly of their own doing or are most things in life beyond their control?
- Can ordinary people influence the government or do a small group in power run everything?

LOC beliefs are generally learned in childhood and can become self-perpetuating later in life. People become externally controlled when they repeatedly experience situations over which they perceive themselves having little or no control over what happens to them. If you find that you have an external LOC on one of the online quizzes, don't despair. LOC can be changed with patience, determination, and focus. The following quote by Carl Bard says it all: "Though no one can go back and make a brand new start, anyone can start from now and make a brand new ending."

How do people move from an external LOC toward an internal LOC? Educators and psychologists often suggest the following:

- Set small, quick, goals with a high probability of success so you'll learn to attribute positive results to your own efforts. Include a specific outcome, a timeline, and an action plan. Two examples are "save \$50 a month by placing a dollar a day, plus pocket change, into a can or jar" and "lose 4 pounds in 5 weeks by eliminating 200 calories per day and exercising to burn off 200 calories" ($400 \text{ calories} \times 7 \text{ days} = 2,800 \text{ calories/week} \times 5 \text{ weeks} = 14,000 \text{ calories}$ divided by $3,500 = 4$).
- Since you are prone to look externally to others for direction, rewards, and reinforcement, find people to support you in your health and wealth improvement efforts that can serve as positive role models or mentors you can learn from. Ask them for guidance or resources where needed.
- Make a list of positive and negative events that happen in your life over the course of the next month and describe how your personal actions (or lack of action) affected the outcome.
- Think about your childhood learning experiences. Did your parents emphasize hard work and responsibility and give you promised rewards upon the completion of tasks? Or do you remember life being out-of-control and that planning and hard work did not seem to matter? Understanding how your LOC beliefs were shaped will help you take action to change them.

Use the *Locus of Control Worksheet* to better understand your personal LOC belief system.

Locus of Control Worksheet

Question	Health Behavior	Personal Finance Behavior
Do you primarily have an internal or external locus of control? Why?		
How did childhood experiences affect your locus of control?		
List several examples of how your locus of control affects your current practices.		
What words and phrases do you use that indicate your locus of control? Examples: <i>"If it is to be, it is up to me"</i> <i>"Why is this happening to me?"</i>		
Where do you go for information and support to make behavior changes?		
What steps, if any, will you take to change your locus of control?		

Action Steps

Health

- Take an online health locus of control survey and complete the worksheet to learn more about yourself.
- Make a list of your targets of blame for poor health practices (e.g., job, parents, lack of time and money).
- Work on a specific short term health goal with a high probability of success.

Wealth

- Take an online locus of control survey and complete the worksheet to learn more about yourself.
- Make a list of your targets of blame for poor financial practices (e.g., poverty, lack of time and money).
- Work on a specific short-term financial goal with a high probability of success.

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Expect Obstacles and Prepare For Relapses

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**“Every adversity, every failure, every heartache
carries with it the seed of an equal or greater benefit.”
Napolean Hill**

“Fall seven times, stand up eight,” says an old Japanese proverb. In other words, obstacles and relapses are perfectly normal and should be expected during the process of making behavior changes. According to the book *Changing For Good*, the typical path of changing includes several slips backward (i.e., reverting to an earlier stage of change). For this reason, the process of making positive change has been described as a “spiral pathway” rather than a straight-line path from the precontemplation stage to the maintenance stage (see the *Weigh the Costs and Benefits of Changing* fact sheet). Clinical research indicates that only one in five self-changers overcome a long-standing problem on the first try. Therefore, the vast majority of self-changers experience relapses. The most common cause of relapses is some type of distress (e.g., depression, loneliness, anxiety), especially if an unhealthy behavior (e.g., smoking, eating, or shopping) makes you feel better, and the second major cause is social pressure (e.g., people in your social network who smoke, overeat, or overspend).

Obstacles are things that block positive actions related to health and wealth goals or cause people to relapse (i.e. go back to unhealthy behavior patterns). Experts advise self-changers to clearly identify their obstacles to be able to develop specific plans to overcome them and “relapse prevention skills.” For example, if you are feeling stressed out, rather than smoking or shopping, develop a “Plan B.” You need to do something else right away that makes you feel as good as smoking, eating, or shopping, such as talking with a friend, walking the dog or some other type of exercise, gardening, a bubble bath, positive self-talk, or listening to music. Many plans to change fail because people don’t have a good “Plan B.”

People often feel stress when they are pressed for time. Another good strategy related to health and wealth is to facilitate healthy choices, such as keeping pre-cut fruits and vegetables in the refrigerator to nibble on, not stocking empty-calorie “junk foods,” and buying convenience food entrees and meal replacement drinks and snacks for busy days. This way, when you’re tempted to overeat, you’ll at least have something on hand that is nutritious and low in calories. One study found that hunger, as well as planned and unplanned meal events, were frequent obstacles that interfered with maintaining a diet plan. Similarly, when people are stressed, their finances often suffer. Freezing credit cards, if overspending is an issue, and automated investing strategies (e.g., mutual fund deposits) can keep financial plans on track.

Often, social pressures to repeat old habits are obstacles. Relapse prevention may, therefore, require assertiveness in dealing with others, so that they can support, instead of sabotage, your efforts to change. Sometimes, when this is not possible, you may have to give up a relationship in order to eliminate an unhealthy habit. Plan in advance what you’ll say and do in order to “avoid temptation.” Control everything that you can. For example, if you’re going out to dinner, select a restaurant with light menu options, drink a non-alcoholic beverage, ask for baked or broiled entrees and dressings and sauces on the side, and/or order junior size portions. If you’re trying to get out of an office gambling pool to free up money to invest, think up a reason that nobody could object to (e.g., saving for a child’s wedding or college fund). Avoid family loans (as a borrower or lender) because they often leave people feeling indebted to others for years. Every time there is a crisis, family loans become an “emergency fund.”

What happens if you stray from your health and wealth goals (e.g. “blow” your diet, overspend, or stop saving)? You regroup and move on. The following quote by Ralph Blum describes a benefit of obstacles: “Nothing is

predestined. The obstacles of your past can become the gateways that lead to new beginnings.” Experts in behavior change recommend the following strategies to deal with a relapse:

- **Balance and Compensate-** As an example, let’s say you are trying to eat about 1,600 calories per day and one day you eat 400 calories more than your daily allowance (2,000 calories total). To balance and compensate, consider those 400 extra calories part of your calorie intake “budget.” Over the next two days, continue by eating 1,400 calories of the 1,600 calories that you normally consume. The total amount of calories for the three-day period is still 4,800 calories (2,000 + 1,400 + 1,400), the same as originally planned, so you really haven’t slipped backwards at all. The same is true of financial actions, such as saving money. When you fall short of your target behavior one day, make it up later.
- **Learn a Lesson-** Relapses should be viewed as learning opportunities- not failure or evidence of a personal weakness. When a relapse occurs, ask yourself what you learned about the process of changing your behavior and what you would do differently the next time. Research indicates that relapses often occur because the pros and cons of changing weren’t thought through clearly enough, a self-changer had a poor plan (e.g., unrealistic goals), or there were simply not enough resources (e.g., helping relationships, changes in environment) to support the person making a change. People also relapse frequently when there is a disruption to their routine schedule (e.g., unforeseen events, illness, changes in schedules, vacations, weddings and other social events, and holidays) or due to over-confidence (e.g., thinking that a problem behavior is “licked” and that no further effort is needed).
- **Get Back On Track-** University of Washington professor G. Alan Marlatt, who has studied long-term behavior change for decades, used the following analogy to describe a relapse: “If you have a flat tire, it doesn’t mean you’re not going to finish a trip. It just means you’ve got to fix it up before you continue.” Similarly, relapses should be viewed as a temporary stop along the path to your health and wealth goals. Often, it is less difficult to make positive changes after a relapse because you’ve already “been there and done that.” Your next change experience will benefit from the insights and experiences gained from prior attempts and you don’t need to go back to “square one.” Relapsing has been compared to falling off a horse. If you are firmly committed to riding again, the best thing that you can do is to get right back into the saddle and ride. Develop better coping strategies to deal with stress and temptation and better environmental controls and support systems.
- **Reframe The Relapse-** In a perfect world, everyone would do what health and financial experts advise and invest for the long term while living a healthy lifestyle. In the real world, positive behavior changes are rarely “all (i.e., healthy behavior) or nothing (i.e., poor behavior).” There are many shades of gray in between. If you’re not doing as well as you planned to do or once did, but are still better off than before you attempted to make a change, you have not relapsed entirely and should not view yourself as a failure. Any small step (e.g., eating 100 fewer daily calories or saving \$2 a day, plus pocket change) toward health and wealth is better than doing nothing.

Use the *Obstacle Identification and Relapse Prevention Worksheet*, below, to anticipate potential barriers and develop a plan for what you’re going to do when setbacks occur.

Obstacle Identification and Relapse Prevention Worksheet

Question	Health Goal	Wealth Goal

State your goals in a sound bite (one short sentence).		
List up to three obstacles that can keep you from achieving your goal.		
List two strategies to overcome each obstacle.		
What factors have caused you to relapse (go back to poor health or financial practices) in the past?		
What can you do to address these factors in the future?		

Action Steps

Health

- Try to find a successful role model for your health behavior change (e.g., weight control) and learn about his or her obstacles, relapses, and challenges.

Wealth

- Try to find a successful role model for your financial behavior change (e.g., investing for retirement) and learn about his or her obstacles, relapses, and challenges.

Health and Wealth

- Make a list of “high-risk” people or situations that can sabotage your plans to change and try to limit or avoid them any way that you can.
- Make a New Year’s resolution (or a resolution to change at *any* time) to improve your health and wealth and keep trying to achieve it, even if you relapse. According to research by psychologist Dr. John Norcross, while nearly 60% of people drop their resolutions within six months, those who make resolutions are 10 times more likely to successfully change than those who do not.

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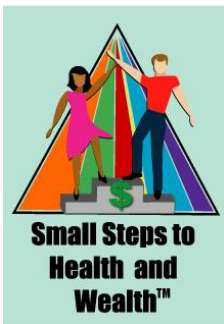
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Get Help and Be Accountable

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**“To solve any problem, there are three questions to ask yourself:
First, what could I do? Second, what could I read? And third, who could I ask?”**

Jim Rohn

Motivational guru, Napoleon Hill, once observed “What the mind of man can conceive and believe, the mind of man can achieve.” But sometimes you need a little help and people to hold you accountable for your actions until you reach your health and wealth goals. Supports for health and financial behavior changes include other people, employers, support groups, and professional advisors.

Friends, family, and co-workers can be a resource or an obstacle to making progress. In the widely cited Transtheoretical Model of Change, assisting others to make positive changes is referred to as “helping relationships.” Some examples include walking with a friend, cooking healthy meals for a spouse, matching a child’s savings, and talking with a co-worker about credit card debt. A real life example of a helping relationship is described in a January 2005 *U.S. News & World Report* article, “Teddy Trims to Fightin’ Weight,” about Senator Ted Kennedy’s weight loss. When asked how he did it, friends of the Senator said that he attributed his success to coaching from his wife Vicki.

It goes without saying that helpers who practice positive behaviors themselves provide the best helping relationships. After all, it’s hard to quit smoking, drinking, or over-spending when you are surrounded by people who smoke and spend all their free time at bars and malls. Accountability has been defined as “a structured system of personalized feedback on outcomes.” In other words, a good helper will tell you whether you’re “walking your talk” or not and give you critical feedback, if needed. Even pets can provide a helping relationship. Studies have found that people who exercise with a dog are more likely to take weight off and keep it off. Pets make loyal walking partners (rain or shine), make exercise fun, and take the focus off the person they’re walking with.

Increasing numbers of employers are also helping their workers with their health and finances. About 40%, for example, offer health-management benefits such as weight loss and smoking cessation programs. Others use money as a motivator for improved health and pay their workers to lose weight or stop smoking. One company, described in a 2005 *Wall Street Journal* article, pays \$500 to any worker who quits smoking for a year and \$500 for those who keep in shape. The employer, in turn has received an offsetting decrease in its health premiums and hopes to save even more in the long run by avoiding health care costs associated with smoking and obesity. Another company pays its workers who lose weight \$25 per quarter, plus an annual bonus of \$25 and a day off, if they maintain their weight loss.

On the financial front, many employers provide supports such as matched retirement savings accounts, savings bond purchase plans, credit unions, financial seminars, and one-to-one financial counseling. Concerned that workers aren’t saving enough for retirement, as they are about health care costs, some employers are instituting automatic enrollment in 401(k) plans where new hires are automatically enrolled unless they opt out of the plan. In some of these plans, workers sign forms agreeing to save a higher percentage of their pay in the future as their pay rises. Other employers are providing workers with personalized retirement savings projections to educate them on how much they need to save.

Another resource for positive behavior change is a formal or informal support group (e.g., in person or online). Compared to those who know you, these helpers often have greater objectivity. In addition, they’ve often had similar “issues” and can share their experiences and the resources that they found valuable. Professional advisors,

such as dietitians and financial planners, and telephone helpline counselors can also provide valuable assistance. In one study, 43% of long-time smokers age 65 and older who called Quitline were still smoke-free nine months later, compared to only 5% for do-it-yourself quitters. Whether it's financial planning or weight loss or smoking cessation, professional advisors can help people customize a plan to change and follow their progress.

Use the *Resources For Support and Accountability* worksheet, below, to identify individuals and organizations that can assist you on your path to health and wealth:

Resources For Support and Accountability

Question	Health Goal	Wealth Goal
Which people are likely to support your goal? Why?		
Which people are likely to sabotage your goal? Why?		
What supports are available through your employer?		
What supports are available in your community?		
What supports are available through professional advisors?		

Action Steps

Health

- Visit www.eatright.org/Public to find the names of nutrition professionals in your area.
- Take advantage of health support services provided by your employer (e.g., gym).
- Tell one or more people about your health goal and ask them to support your efforts.
- Call your health insurance carrier to see if your plan covers weight loss, exercise, or smoking cessation programs.

Wealth

- Visit www.fpanet.org or www.napfa.org to find the names of financial professionals in your area.
- Take advantage of financial support services provided by your employer (e.g., 401(k)s).
- Tell one or more people about your financial goal and ask them to support your efforts.

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Kick It Up A Notch

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"If you have a great ambition, take as big a step as possible in the direction of fulfilling it. The step may only be a tiny one, but trust that it might be the largest one possible for now."
Mildred McAfee

If you've ever watched the Food Network on cable television, you've probably seen celebrity chef Emeril Lagasse and heard his famous saying "kick it up a notch!" Emeril has developed a blend of spices called "Essence" to add additional flavor to foods that he prepares. When he tells an audience he's going to "kick it up a notch," he puts a pinch or two of Essence on a dish and everyone, in unison, says "BAM."

"Kick it up a notch" is also a strategy to improve your health and increase your wealth. In this case, it doesn't mean adding more spice to a recipe but, rather, ratcheting up healthy behaviors that you are currently performing (or maybe not performing) in order to make them better. For example, if you currently get 20 minutes of physical activity daily, start exercising for 30 or 40 minutes. If you are saving 3% of your pay in a 401(k) plan, increase your contribution to 4% or 5%. In the *Step Down To Change* fact sheet, you learned ways to gradually reduce unhealthy behaviors such as smoking, high calorie diets, and overspending. With the "kick it up a notch" strategy, you do the exact opposite: take action to gradually increase healthy behaviors such as exercise, saving/investing, and debt reduction. Whether we're talking about cooking or life, extra "spice" makes a big difference in the results that are achieved.

An excellent example of the "kick it up a notch" behavior change strategy can be found on the *America's Walking* Web site at www.pbs.org/americaswalking/health/health20percentboost.htm. Billed as "the realistic way to build up to 10,000 steps a day," the program suggests a gradual approach called "the 20% Boost Program." Using a pedometer to track your steps, during the first week you don't change your normal routine at all in order to calculate your baseline average. Be sure to record all steps taken, including both formal (e.g., using a treadmill) and informal (e.g., walking to/from a parking lot) exercise.

The *America's Walking* Web site provides a form to record the number of steps taken on Monday through Sunday of each week. The next step is to add the total number of steps for all seven days and divide this number by 7 to get your daily step average. Then multiply the average number of steps taken by 1.2 (20% increase) as a goal for the following week. Continue doing this over the next two or more weeks, until you reach 10,000 steps (about five miles). A study done in Colorado, a state with a relatively low obesity rate, found that the average person takes about 5,900 steps a day (about three miles). To reach 10,000 steps would require a 20% increase from 5,900 (week 1) to 7,080 (week 2) to 8,495 (week 3) to 10,000 + (week 4). These extra steps can be achieved by planned physical activity. Examples include walking during lunch hour, parking farther away from one's place of work, taking stairs instead of an elevator, pacing back and forth while talking on the phone, and/or extra time spent on exercise equipment such as a treadmill or bicycle.

Good financial practices can also be kicked up a notch. A recent study by the Employee Benefit Research Institute found that Americans contributed an average of 6.8% of pay to 401(k) retirement plans, far less than the maximum annual limit for many people. Only about 10% of plan participants contribute the maximum amount allowed. Thus, a clear catch-up strategy for many people is to "kick savings up a notch" by contributing more to tax-deferred 401(k), 403(b), and Section 457 plans. The best times to do this are when you receive a raise, or other increase in income, or when household expenses, such as a car loan and childcare, end.

Some tax-deferred plans also include matching employer contributions. For every dollar that you save, your employer might kick in another 25 cents, 50 cents, or even a dollar, up to a certain percentage (e.g., 6%) of pay. The average company match in a 401(k) plan is about 3% of workers' pay. If you are not saving the amount required to earn the maximum match from your employer, you are essentially throwing away "free money." Other advantages of these savings plans, in addition to matching, are a federal tax write-off for the amount contributed and tax-deferred earnings.

The table below shows the amount that can be accumulated at age 65 by saving an additional 2% of earnings annually or by a 1% contribution by you and a 1% match from your employer. The analysis assumes that savings earn a 7% average annual return and that a worker's contribution is based on their current salary (e.g., 2% of \$30,000 is \$600) and remains constant over time. If earnings and hence, retirement plan contributions, increase, the amount that can be accumulated will be even higher.

Savings at Age 65 From an Additional 2% Contribution to Tax-Deferred Savings

Worker's Annual Salary	Age That Worker Begins Saving Additional 2% of Pay			
	40	45	50	55
\$ 20,000	\$ 25,300	\$ 16,398	\$ 10,052	\$ 5,527
\$ 30,000	\$ 37,949	\$ 24,597	\$ 15,077	\$ 8,290
\$ 40,000	\$ 50,599	\$ 32,796	\$ 20,103	\$11,053
\$ 50,000	\$ 63,249	\$ 40,996	\$ 25,129	\$13,816

Source: Future value of annuity table factors multiplied by 2% of four different salary levels with savings plan deposits held constant through age 65.

The Employee Benefit Research Institute's annual Retirement Confidence Survey consistently indicates that about half of American workers, both current savers and non-savers alike, feel that it is possible to save \$20 (or \$20 more) weekly for retirement. While saving \$20 per week does not seem like much, it will result in more than \$1,000 per year, plus earnings provided by compound interest. Can you "find" \$20 a week to save by trimming one or more household expenses?

The table below, shows the impact of saving an additional \$20 per week and that seemingly small amounts can grow into substantial sums over time. The longer the investment period (e.g., 30 years versus 10 years) and the higher the average annual rate of return (e.g., 10% versus 5%), the greater the sum of money that will accumulate.

Impact of Saving An Additional \$20 Per Week

Number of Years of Savings	5% Average Return	10% Average Return
10 years	\$ 13,700	\$ 18,200
20 years	\$ 36,100	\$ 65,500
30 years	\$ 72,600	\$ 188,200
40 years	\$ 131,900	\$ 506,300

Source: Retirement Confidence Survey, Employee Benefit Research Institute, Washington, DC

Another way to kick things up a notch financially is to use a fold-down plan (a.k.a., power payments) to speed up the repayment of outstanding debt so that monthly payments can, instead, be invested. The principle behind this strategy is that, as one debt is repaid, the monthly payment from that previous debt (e.g., \$30 paid to Sears) is applied to remaining creditors (i.e., kicking them up a notch), until all remaining debts are repaid. Depending on the number of creditors owed and the outstanding balances, the amount of money saved can range from several hundred dollars to well over \$10,000.

Consider the following example, prepared by Barbara Bristow, formerly of Cornell University, which illustrates the awesome impact of accelerating debt repayment. The example shows differences in debt reduction time and the amount of interest paid by three fictional families, each with a different repayment schedule. It assumes that each family has a credit card balance of \$4,800 with a 17% annual percentage rate (APR) and that they do not add to this existing debt or miss any payments.

- The *Minimum* family pays just the required monthly payment due each month (creditors often charged 2% of the outstanding balance with a minimum of \$10, although minimum payments started rising to about 3% in 2006). They will make 405 monthly payments (33.75 years!) and pay a total of \$10,399.78 in interest charges, in addition to the \$4,800 they borrowed, for a grand total of \$15,199.78.
- The *Medium* family decides to repay \$120 a month. At this rate of repayment, their debt will be repaid in exactly five years (60 payments) and they will pay a total of \$2,333.83 in interest charges for a grand total of \$7,133.83.
- The *Maximum* family decides to repay \$240 a month. They will finish paying off the principal in two years (24 payments) with a total interest cost of \$884.11 for a grand total of \$5,684.11. The Maximums then decide to “pay themselves first” by continuing to make a \$240 “payment” to themselves and investing it. They find a quality stock mutual fund and invest \$240 a month for 381 months. This length of time coincides with the date that the Minimums finish repaying their \$4,800 balance. If the Maximum’s mutual fund earns an 8% average return over the 31.75 years that they invest, they will accumulate \$390,362 toward a secure retirement.

The Utah State University Cooperative Extension Web site, www.powerpay.org, provides a PowerPay© debt reduction calculator for individual consumers to calculate the potential time and interest savings possible by applying the monthly payment from a repaid debt to other outstanding obligations.

Below are some additional ways to kick your current financial practices up a notch:

- If you’re saving in a 401(k) or other tax-deferred plan, but never really calculated your actual savings need, download a copy of the *Ballpark Estimate* worksheet at www.asec.org or do a *Ballpark Estimate* calculation online.
- If you revolve a credit card balance, transfer it to a low-rate card or request an interest rate reduction.
- Increase your emergency savings to the equivalent of three to six month’s expenses.
- If you rarely or never check your credit report, do so annually. Every American can request a report *free of charge* from the three major credit bureaus: Experian, Equifax, and Trans Union at www.annualcreditreport.com.
- If you invest in stocks or mutual funds haphazardly, sign up for an automatic investment plan and invest a regular amount at a regular time interval (e.g. \$50 per month) by authorizing a debit of your bank checking account for the deposit.
- Make the equivalent of 13 monthly mortgage payments a year by adding 1/12 of a monthly payment (principal and interest portion) each month (e.g., 1/12 of a \$1,200 payment = \$100 + \$1,200 = \$1,300).
- Whatever you are currently saving/investing, do more of it (e.g., invest \$100/month instead of \$50).

You can probably think of many other ways to “kick it up a notch” to improve your health and personal finances. Get started by doing what experts recommend or doing more of the positive behaviors (e.g., physical activity, saving money) that you are *already* doing. Use the *Kick It Up a Notch-Health* and *Kick It Up a Notch-Wealth* worksheets, below, to make plans to change by describing each “notch” of behavior change (e.g., saving 2%, 3%, 4%, 5%, and 6% of pay) and your expected date to “kick it up” to a higher level. Try, also, to enjoy what you do. Just like chef Emeril enjoys cooking with a band playing and people around him, choose behavior change strategies that are fun or relatively painless.

Kick It Up a Notch-Health

Behavior Change Level	Description of Behavior Change	Target Date to Change
Current Behavior		
One Notch Higher		
Two Notches Higher		
Three Notches Higher		
Four Notches Higher		

Kick It Up a Notch-Wealth

Behavior Change Level	Description of Behavior Change	Target Date to Change
Current Behavior		
One Notch Higher		
Two Notches Higher		
Three Notches Higher		
Four Notches Higher		

Action Steps

Health

- Use a pedometer to track your baseline number of steps and increase them gradually to 10,000 daily.
- Identify one or more current health behaviors and make them better (e.g., eating 5 fruit and vegetable servings per day instead of 3).
- Visit www.howsyourhealthnj.org and www.everydaychoices.org for ideas about things that you can do to improve your health

Wealth

- Calculate your net worth (assets minus debts) and aim to increase it by 5% to 10% annually.
- Identify one or more current financial behaviors and make them better (e.g., saving 10% of gross annual income instead of 5%).
- Visit www.rce.rutgers.edu/money/ffquiz for ideas about things to do to improve your finances.

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Make Progress Every Day

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**“Where attention goes, energy flows, and results show”
Unknown**

Make Progress Every Day was the tagline of a successful Verizon Communications branding campaign launched in 2002. In a press release about the campaign, Verizon stated that “making progress means helping its customers and communities move forward every day” through the use of its telecommunications products. “Whether it’s holding a conference call on a project, finding a shop that carries a gift you want to buy, or doing online research...when our customers accomplish any of these simple, everyday feats, it represents a small step of progress.”

Remember the old phrase “a journey of a thousand miles begins with a single step”? That single step is doing something positive every day. “Make progress everyday” is a strategy for improving health and increasing wealth because it promotes a healthy attitude about behavior change. Many people fail to make the connection between big goals and the small steps required to achieve them. They expect progress to “happen” instead of building progress steps into their daily activities. Making progress requires hard work and may make you uncomfortable at times. James Bryant Conant wrote “Behold the turtle. He makes progress only when he sticks his neck out.” You have to stick your neck out in order to move closer to your goals.

The secret to making progress is getting started...today. Three ways to make progress every day toward health and wealth are: daily affirmations, daily learning activities, and daily action steps.

Daily Affirmations

Affirmations are a motivational technique to help people believe that change is possible in their lives. They are positive statements about how someone wants to think, feel, and/or behave that are repeated multiple times each day. Affirmations should be short (so they are easy to remember), positive, and stated in the present (rather than future) tense, even though they probably do not reflect your current reality. An example of the latter is “I weigh 140 pounds,” when you actually weigh more. You would not say “I no longer weigh 200 pounds,” because this is a negative statement, nor would you say “I am going to weigh 140 pounds” because this is a future tense statement that mentally postpones action. Start your affirmations with the word “I” (e.g., “I have,” “I believe”) or “my” to make them personally yours.

Affirmations are a tool for changing how people think and act and can change lives for the better. They have been compared to burning a CD... in your mind. Affirmations need to be imprinted into your subconscious with daily repetition. One recommended frequency is 10 times, twice daily. Speaking them out loud (e.g., while commuting to work or in the shower) is recommended. You don’t even have to believe your affirmations initially. That can come later after you’ve experienced some progress. You do, however, need to be willing to make necessary behavior changes to realize your affirmations or they are basically a waste of time. Some examples of health and wealth affirmations are:

- I am healthy, wealthy, and happy
- I am a millionaire in the making
- I choose to honor and take care of my body
- I give thanks every day for all my blessings
- I know my dreams and goals create my reality
- I have no debt on my credit cards
- My work is deeply fulfilling
- My income is growing
- My investment portfolio is increasing
- My weight and body mass index (BMI) are decreasing

Daily Learning Activities

Learning to learn is one of life's most important skills. One way to make progress toward a health or wealth goal is to learn more about health and wealth. Make a conscious effort to learn something new every day. Read an article, watch a television show, listen to the radio, talk to other people (family, friends, co-workers, professionals) and/or visit relevant Web sites. Start a filing system for interesting information so that you can refer to it later, if needed. Links to dozens of reputable health and wealth Web sites can be found in the *Small Steps to Health and Wealth™ Resources* fact sheet.

Daily Action Steps

Perhaps you've heard the phrase "Yesterday is the past. Tomorrow is the future. Today is a gift. That's why it's called the present." Today, and everyday, is the time to take action to improve your health and increase your wealth. You can "keep your eyes on the prize" and make progress every day by setting realistic and attainable goals. Many people overestimate how much they can do in short time periods and underestimate just how much they can do over time. Two examples demonstrate the latter:

Health- Lose 4 pounds in 5 weeks. Repeat 10 times over a year and you can lose 40 pounds.

Wealth- Save \$5 a day or \$35 a week. Repeat for an entire year and you can save \$1,820, plus interest.

There are no "magic bullets" that guarantee health and wealth. But daily progress will build upon itself, just like compound interest. If you do something consistently, at least 5 times a week, you will make steady progress. Each little step adds to the ones before it.

A common reason given for inattention to health and personal finances is "lack of time" for sleep, exercise, healthy eating habits, investment decision-making, checkbook balancing, etc. People hear that they need to exercise 30 to 60 minutes a day, for example, and automatically say "I'm too busy." Fitness experts say, however, that you can accumulate those minutes throughout the day in 10 to 15 minute "chunks" of time. Gradual progress is also fine for financial maintenance tasks such as calculating net worth, requesting free credit reports, and preparing written financial goals and budgets.

How can you find chunks of time to improve your health and wealth? You look for them and dedicate them to making daily progress. There are 1,440 minutes in a day or 144 ten-minute chunks of time. Subtract about 7 hours for sleep and that leaves 100. Another way to "find time" is "smart multi-tasking." Read a mutual fund prospectus or exercise while watching television, for example. Carve out pockets of time for activities related to health and wealth goals.

Need some ideas for making daily progress? Consider the following recommendations:

Health

- Take the dog for a 15-20 minute walk or walk with co-workers during your lunch break.
- Quit smoking and don't look back. Join a support group or use a nicotine patch, if needed.
- Drink 8 glasses of water per day by taking several sips every hour, especially before meals.
- Eat one *more* serving of fruit and one *less* "empty calorie" sweet (e.g., cookie, candy, cola).
- Eat 100 fewer calories a day by eliminating 1 tbsp. mayonnaise, butter, margarine, or salad dressing.

Wealth

- Save \$1, \$2, \$5, or \$10 a day, plus pocket change, in a can or jar. Deposit it monthly into savings.
- Save \$1, \$2, \$5, or \$10 a day, plus pocket change, in a can or jar. Add it to credit card payments.
- Buy one *less* soda, coffee, latte, doughnut, snack food, lottery ticket, newspaper, etc.
- Join a work-related savings program (e.g., 401(k), credit union) and save part of each day's pay.
- Follow one of *66 Ways to Save Money* found at www.66ways.org.

Use the *Make Progress Every Day Worksheet*, below to plan how you'll make daily progress:

Make Progress Every Day Worksheet

Question	Health Goal	Wealth Goal
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Write a daily affirmation for your goal		
Describe a daily learning activity related to your goal		
List your five best 10-minute chunks of time for your goal		
List daily action steps related to your goal		

Action Steps

Health

- Identify three or more 10-minute chunks of time to make progress toward your health goals.
- Follow one new recommended health improvement practice each day.
- Keep track of your health progress (e.g., pounds and inches lost, lower BMI, and blood pressure).

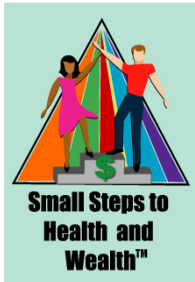
Wealth

- Identify three or more 10-minute chunks of time to make progress toward your financial goals.
- Follow one new recommended financial improvement practice each day.
- Keep track of your financial progress (e.g., increased savings, reduced debt, and investment returns).

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Monitor Your Progress and Reward Success



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**"Celebrate your success and stand strong when adversity hits.
For when the storm clouds come in, the eagles soar while the small birds take cover."
Anonymous**

According to the book *Changing For Good*, "Environmental controls modify the cues that *precede* and *trigger* problem behavior; rewards modify the consequences that *follow* and *reinforce* it." Environmental controls and rewards are *both* very important processes in the action and maintenance stages of change that are described in the *Weigh the Costs and Benefits of Changing* fact sheet. The authors of *Changing For Good* recommend rewarding progress at each successive step forward (e.g., saving \$25) rather than waiting for more visible progress later (e.g., saving \$250), noting, "The more difficult steps of the action stage [of change] must be built on a solid, well-reinforced foundation."

In order to know when it is appropriate to provide rewards and celebrate success, it is necessary to track the journey from where you are now to where you want to be. Some people do this by keeping a journal and describing their feelings about making progress and/or relapsing over time (i.e., self-reflection). Others use computer spreadsheets or graph paper to monitor their behavior and/or plot progress made toward their target goal (e.g., 170 pounds to 140 pounds or \$50 in savings to \$1,000). As noted in the *Track Your Current Behavior* fact sheet, raising self-awareness of current practices is an essential component of successful health and financial behavior change. To change dietary and health practices or physical activity or spending habits, it is critical to know how much we eat, smoke, exercise, spend, and save. Written records increase self-awareness. It is estimated that people underestimate their energy intake by an average of one-third and overestimate their physical activity by about one half.

Research indicates that you increase the odds of successful behavior change by keeping written records. This is true for both health behaviors (e.g., recording food intake) and personal finances (e.g., recording expenses). In one study, tracking current behaviors, along with a strong initial commitment to change and strategies to deal with problems that arise, were the factors found to best predict success in keeping New Year's resolutions. The authors concluded "The more reviewing and monitoring you do, the better you will do." In another study of dieters, those who recorded what they ate lost more weight and kept it off better than those who didn't keep food records. The more days that were tracked, the greater the weight loss. A third study looked at eating habits over the holidays and found that subjects gained 500% more during holiday weeks than at other times, with the exception of those who consistently kept food records, who actually lost weight.

How often should you monitor progress toward a health or wealth goal? "Frequently," say many behavior change experts. Regular progress checks provide an opportunity to *either* celebrate small successes as they occur or rein in a relapse before too much damage is done. A study of Weight Watchers® participants, for example, found that regular weigh-ins helped dieters react quickly to their weight gain. Those who weighed themselves frequently and used a 3-pound gain as a "cue" to restart their diet were more likely than others to have long-term success. Similarly, keeping a running total of purchases on a credit card provides a visible cue that you are about to exceed an amount that you can comfortably repay.

According to behavior change experts, you can gradually shape your behavior in a new direction with periodic rewards and reinforcement. Nothing succeeds like success. Begin your path to health and wealth with a single small step and proceed from there. A journal for financial counselors and educators advises the following: "Start small. You will see the results of change, which will inspire you to take another step, then another." In a study of Cooperative Extension MONEY 2000™ [a savings and debt reduction program] participants, "seeing

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Put Your Mind to It

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"I've discovered that numerous peak performers use the skill of mental rehearsal of visualization. They mentally run through important events before they happen."
Charles A. Garfield

One of the most powerful motivational strategies to improve health and increase wealth is visualization. As the quote above describes, many successful performers report "seeing" what they want to achieve long before they actually accomplish it. People can alter their lives just by altering their mindset. Visualization (a.k.a., mental imagery) is a powerful step in the process of setting and achieving goals. Unfortunately, it is often ignored. All too often, people want to "do something" immediately or they are focused solely on current problems instead of picturing where they want to be in the future. There's also "the fear factor" associated with picturing a behavior change. In the popular book about changing behavior, *Who Moved My Cheese?*, one of the characters eventually "envisioned himself in realistic detail-finding something better-much better." He overcame his fear of change and found new "cheese" (i.e., success).

So how do you get started visualizing improvements to your health and finances? Start by painting a mental picture of your preferred future. If you have a weight loss goal, picture yourself 20 pounds slimmer fitting into clothes that you haven't worn for years. See yourself as active and walking 30 minutes a day. If you plan to reduce debt, imagine yourself receiving a credit card statement that shows a zero balance. Experts also advise visualizing how you will deal with obstacles to your goals (e.g., enjoying a holiday party without overeating). Emotions are another important component of the behavior change process. Visualize, and then verbalize to others, how you think improved health and increased wealth will make you feel. Positive and long-term feelings can be powerful motivators.

Use the *Small Steps to Health and Wealth™ Planning Worksheet* to get started visualizing your health and wealth goal(s). Spaces are provided to write each goal and draw or attach a picture of it. Why include a picture? To remind yourself daily of your future goal(s) because visual cues can help you stay focused. Post the worksheet someplace you'll see everyday such as a dresser mirror or refrigerator. In order to make behavior changes, you must have a vision of what you want to achieve. Once you "see" it, you can name it, describe it, and take small steps over time to achieve it. Sometimes visualizing negative images can prompt a behavior change. For example, seeing a relative die of lung cancer and envisioning yourself in a similar situation might be the necessary impetus to quit smoking.

In addition to visualization, there are several other ways to "think yourself" healthy and wealthy. The first is to frequently remind yourself of your strengths as an individual (e.g., personality characteristics and things you are good at) and goals that you've already set and achieved. Success is a powerful motivator and failure is a mind-set that can be changed. When you are tempted to abandon your health and wealth objectives, think about how good it felt to achieve a previous goal. Challenge the negative influences around you with affirming messages such as "If I could do [action], I can certainly do [action]." Draw upon the focus and discipline you showed at an earlier time in your life. If you and/or people around you are saying you'll never be able to do something, ask yourself "Why not?"

Another way to foster a positive mind-set is with words used to describe behavior changes related to health and personal finance goals. Experts call this using the "language of change." Start by banishing "weasel words" such as "I hope to," "I plan to," "Hopefully I can," and "I'll try to" from descriptions of future action steps. Replace them

with bold declarative statements starting with words such as “I am,” “I can,” and “I will.” “I will save \$100 a month,” for example, has a much more powerful impact on the unconscious mind than “I’ll try to save \$100.” It also increases accountability to yourself and to others because you’ve stated exactly what you intend to do with an expectation that you’ll deliver results.

Another language “trick” is to describe the behavior you intend to take in the present tense, preferably with words like “automatically,” “annually,” and “always,” as if you have already been doing it for some time. Again, there is an accountability aspect to talking this way. It is an incentive to start “walking your talk” because, otherwise, you are basically telling other people a lie. It is also motivational to focus on small, positive action steps. Some examples of present tense phrases include:

- I automatically deposit \$100 a month into a growth mutual fund
- I quit smoking
- I almost always exercise at least 30 minutes a day
- I have a Roth IRA account and contribute to it annually
- I save spare change every day in a jar
- I always eat fruit for dessert at dinner

Similarly, behavior change experts recommend speaking of negative behaviors and relapses in the past tense as if they no longer happen using words like “I was,” “I no longer,” and “I used to.” Again, this provides accountability to oneself and others and trains the unconscious mind to believe that change is occurring or is at least possible. Some examples of past tense phrases are:

- I once weighed 200 pounds
- I used to live paycheck to paycheck and not save any money
- I was once a couch potato
- I used to spend recklessly on credit cards
- I used to smoke a pack of cigarettes a day
- In the past, I spent \$5 a day on lottery tickets

When it comes to improving health and increasing wealth, you can do it if you put your mind to it. When people expect a lot, they generally achieve a lot and, when they expect a little, their performance suffers. Visualization is the process of creating pictures in your mind and using them to commit to a goal. To get started, complete the *Visualization and Positive Self Talk* worksheets for health and wealth and use them as a tool to train your mind to expect success and take action to achieve it.

Visualization and Positive Self Talk Worksheet-Health

1. What will it feel like to achieve your health goals? _____

2. Write a sentence to describe something you are good at or a past goal that was achieved: _____

3. Write a sentence that clearly states a health behavior change without any weasel words: _____

4. Write a positive health behavior in the present tense: _____

5. Write a negative health behavior in the past tense: _____

Visualization and Positive Self Talk Worksheet-Wealth

1. What will it feel like to achieve your wealth goals? _____

2. Write a sentence to describe something you are good at or a past goal that was achieved: _____

3. Write a sentence that clearly states a financial behavior change without any weasel words: _____

4. Write a positive financial behavior in the present tense: _____

5. Write a negative financial behavior in the past tense: _____

Action Steps

Health

- Make some "quiet time" to visualize yourself making behavior changes to improve your health.

- Write an "I will" statement to describe each health behavior change.
- Speak of positive health behaviors in present tense and negative health behaviors in past tense.
- Acknowledge current positive health behaviors and health goals that have already been achieved.

Wealth

- Make some "quiet time" to visualize yourself making behavior changes to improve your finances.
- Write an "I will" statement to describe each financial behavior change.
- Speak of positive financial behaviors in present tense and negative financial behaviors in past tense.
- Acknowledge current positive financial behaviors and wealth goals that have already been achieved.

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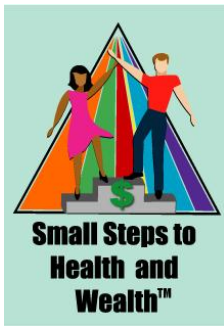
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Say “No” To Super-Sizing

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**“Always bear in mind that your own resolution to succeed is more important than any other one thing.”
Abraham Lincoln**

When you improve your wealth, your health is often positively affected. You are able to eat better food, purchase a comprehensive health insurance policy, and afford health care services, prescription drugs, and screening exams. In addition, the stress associated with financial difficulty that may cause worry, migraines, insomnia, etc. is reduced. Sometimes, however, there are disconnects between what’s good for your finances and what’s good for your health. An example is “super-sized” food portions and restaurant meals that seem like good buys on a cost per-serving basis. Restaurant meals today average three-to-five times larger than the serving sizes found on the nutrition facts labels on food packages.

“Value marketing” is the term used to describe the recent trend toward super-sized food portions. Instead of decreasing prices to attract consumers, the U.S. food industry has, instead, increased portion sizes and called them “meal deals.” The cost of food is relatively low so manufacturers can sell larger quantities for only pennies more. Economically, larger portions seem like a “bargain” to consumers. What they are getting, however, is more fat, sugar, and calories. As portion sizes have gotten larger, almost two-thirds of Americans have become overweight or obese. When people eat more and move less, they put on weight, so more food for less money is *not* healthy. A “bigger is better” mentality has also caused many people to lose perspective on what recommended portion sizes look like. Super-size portions, such as 6.9 oz. French fries with 610 calories, compared to 2.4 oz. with 210 calories 20 years ago, are seen as “normal.” This disorientation about food portion sizes has been referred to as “portion distortion.” More information about this can be found at <http://hin.nhlbi.nih.gov/portion/>.

Similar “more is better” (super-sizing) marketing strategies can also be found with non-food items as an enticement for consumers to spend money that might otherwise be invested for future financial goals. These include store coupons (e.g., “spend \$100 and get \$20 off”), paired discounts (e.g., “buy “X” and get “Y” for half price”), and free item offers (e.g., “buy 3 of X and get one more free”). Many of these offers are only available for a limited time in order to foster a sense of urgency. Like larger food portions, there is a major problem associated with marketing offers based on sales volume...debt. This is especially true if items are paid for with credit card minimum payments. Average Americans are carrying a \$9,300 balance on their credit cards. With an 18% annual percentage rate and low minimum payments, it will take decades to repay this debt according to the *Credit Card Smarts* calculator from Advantage Publications. This phenomenon of carrying debt for decades has been referred to a “perma- debt” because the outstanding credit balance barely budges over time due to small payments toward principal and high interest charges. Perma-debt can lead to financial distress and associated health problems such as anxiety and insomnia.

Both super-sized eating and super-sized spending are dangerous practices. Things can quickly get out of control. Small wonder that millions of U.S. households have “issues” with both their health and finances. According to the book *Fast Food Nation*, a woman who is 5’5” and weighs 132 pounds has a body mass index (BMI) of 22, which is considered normal. Body mass index is a health measure based upon both height and weight. If she gains 18 pounds, her BMI rises to 25 and she’s considered overweight. If she gains 30 more pounds, her BMI reaches 30 and she is considered obese.

Eating just 100 extra calories per day will result in a weight gain of 10 pounds per year so excess weight can add up quickly. No other nation in history has gotten so fat so fast says *Fast Food Nation* author, Eric Schlosser. The chart below shows how quickly BMI can change from a healthy range (BMI of 18.5 to 24.9) to overweight (BMI of 25 to 29.9) to obese (BMI of 30 or higher). For further information about calculating body mass index, see <http://www.cdc.gov/nccdphp/dnpa/bmi/calc-bmi.htm>.

Body Mass Index (BMI) Figures for Select Heights and Weights

Height	120 lbs	150 lbs	180 lbs	210 lbs	240 lbs
5'0"	23	29	35	41	47
5'2"	22	27	33	38	44
5'4"	21	26	31	36	41
5'6"	19	24	29	34	39
5'8"	18	23	27	32	37
5'10"	17	22	26	30	35
6'0"	16	20	24	29	33

Similarly, household debt-to-income ratios, which include all consumer debts (e.g., car loans and credit card payments) but not home mortgages, can increase quickly and spin out of control. Let's say someone's take-home (after-tax) pay is \$3,000 monthly (about \$36,000 per year). If you owe a total of \$300 monthly on a car loan (\$220) and credit cards (\$80), your debt-to-income ratio is 10% ($300/3,000$), which is within an acceptable debt-to-income range.

If monthly payments increase to \$450, because \$230 is owed on credit cards, the debt-to-income ratio is 15% ($450/3,000$) which financial experts agree is an indicator of financial difficulty for many people. Increase the monthly payment further to \$600, with \$380 owed on credit cards, and the debt-to-income ratio increases to an even more dangerous 20% ($600/3,000$). This effectively means that you are working five days and getting paid for four because one day's pay is "spoken for."

The chart below shows how quickly annual interest payments can rise with the double-digit annual percentage rates (APRs) so common on credit cards:

Annual Interest Payments on Various Credit Card Balances

APR	\$1,000	\$2,000	\$3,000	\$4,000	\$5,000
14%	\$140	\$280	\$420	\$560	\$700
15%	\$150	\$300	\$450	\$600	\$750
16%	\$160	\$320	\$480	\$640	\$800
17%	\$170	\$340	\$510	\$680	\$850
18%	\$180	\$360	\$540	\$720	\$900
19%	\$190	\$380	\$570	\$760	\$950
20%	\$200	\$400	\$600	\$800	\$1,000
21%	\$210	\$420	\$630	\$840	\$1,050
22%	\$220	\$440	\$660	\$880	\$1,100

The following quote by Max DePree alludes to the importance of making changes when trying to become healthy and wealthy: *“In the end, it is important to remember that we cannot become what we need to be by remaining where we are.”*

How much super-sizing are you currently doing when eating and spending money? Do you have any super-sizing habits that need fixing?

Complete the two worksheets below to make plans to change super-sizing habits:

Super-Sizing Inventory: Eating

List five ways that you frequently super-size your diet and calculate the calorie savings from healthier changes or substitutions.

Super-Sized Foods Eaten	Caloric Value	Healthier Substitution/ Smaller Size	Caloric Value	Calorie Savings

Super-Sizing Inventory: Wealth

List five ways that you frequently super-size your spending and calculate the dollar savings from less expensive changes or substitutions.

Super-Sized Item Purchased	Cost	Less Expensive Substitution/ Smaller Size	Cost	Dollar Savings

Action Steps

Health

- Make a list of recent instances where you purchased a super-sized meal and indicate the reason why.
- Estimate the changes in your weight each year during the past decade.
- Calculate your body mass index (BMI) using the web site www.consumer.gov/weightloss/bmi.htm.

Wealth

- Make a list of recent instances where you purchased items with super-sized terms and indicate the reason why.
- Estimate the changes in your outstanding debt balance each year during the past decade.
- Calculate your debt-to-income ratio by dividing monthly consumer debt payments, excluding a home mortgage, by monthly take-home pay.

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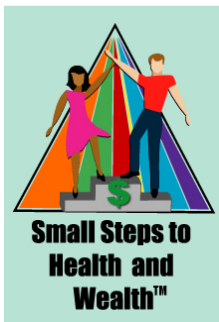
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Set a Date and Get Started...Just Do It!

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**"The real contest is always between what you have done
and what you're capable of doing.
You measure yourself against yourself and nobody else."
Geoffrey Gaberino**

Tomorrow always seems like a good day to make health and financial behavior changes. Many people want to eat better, save for emergencies, invest for retirement, exercise, and pay off debt. Instead, they procrastinate with excuses like "I'll wait until the car is paid off" (for saving money) or "it's too cold out" (for exercising) or "my employer doesn't have a 401(k) plan" (for tax-deferred investing). Months (even years) go by without taking action. Before they know it, they've gained 20 pounds or lost 10 years of compound interest on money that could have been saved but wasn't.

There is a better way to change...take the time to prepare properly. Lay all your obstacles out on the table and try to overcome them, set a realistic start date (e.g., automatic investing) or quit date (e.g., smoking), write up a witnessed or co-signed "commitment contract" with yourself and *then* "just do it" (take action). Notice that the "just do it" part is listed last. That is because, Nike marketing slogan aside, these words alone are usually not enough to motivate people to change, unless they are already in the action stage and just need a little pep talk (see the *Weigh the Costs and Benefits of Changing* fact sheet). Change never begins with action. Rather, it requires a firm commitment to change and a plan of action.

So what's stopping you from making positive changes? List your obstacles. For example, if you've had difficulty starting an exercise program, what is holding you back? Is it long work hours, difficulty finding 30 minutes of free time, weather, lack of social support, or uncertainty about what exercises are best? Part of the process of preparing to change is to reappraise the situation. Try to find at least one realistic solution for each obstacle. According to a *Consumer Reports* survey, the most frequently reported methods people use to encourage themselves to exercise are: "pick the same time of day (56%)," "exercise near home or work (48%)," "exercise outdoors (42%)," "join a health club (32%)," "exercise with friends or family (24%)," "weigh yourself (20%)," and "watch TV during a workout (15%)."

Don't set yourself up for failure. Start dates and quit dates to take action should be realistic. For example, early December is not a good time to start a 1,200-calorie diet or to quit smoking if you plan to attend social events with others who smoke. Wait a few weeks so you can begin to change with fewer distractions. Be sure to include your start date or quit date in your health and wealth goal. Start date examples include:

- "Starting with the first paycheck in February, I will save 5% of my pay in a 401(k)" or
- "I want to lose two pounds a month for eight months starting on March 1" or
- "I'm buying an exercise bike today and, starting tomorrow, I will pedal for ___ hour(s) while watching television five or more nights a week."

A quit date example is "I will stop smoking on (date)."

According to the book *Changing For Good*, "Setting a time frame is critical for behavior change. Choosing a date to begin can help prevent both premature action and prolonged procrastination." The authors advise "If you are truly ready for action, choose a date within the next month to capitalize on your decision-making momentum." If you

continue to delay a change, it is a sign that you are in the contemplation stage (i.e., thinking about taking action) rather than the preparation stage (i.e., developing a firm, detailed plan of action) of change.

As noted above, the timing of a start date or quit date is important. Avoid the holidays and summer vacation when normal routines are disrupted and the temptation to self-indulge is high. The authors of *Changing For Good* recommend New Year's Day or right after a birthday because "the external environment is most supportive." Both of these are times when it is quite normal to reassess your life and want to make desired improvements.

Changing For Good also advises self-changers to go public with their commitment to change. This increases accountability because others are "looking over your shoulder." Fear of the embarrassment of failing can be a powerful motivator to stay on track. In addition, by sharing their plans to change, self-changers may be able to enlist the support of family and friends who might otherwise undermine their efforts.

One way that some people prepare to change is by writing a simple one-page behavior change contract with themselves that includes their health and wealth goal, the specific actions they plan to complete, and the rewards they intend to achieve. Like any other legal contract, a behavior change contract should be dated, signed, and witnessed. The witness (es) can help hold the self-changer accountable and serve as a source of encouragement and support. Behavior change experts advise posting the contract in a place where it is easily seen. A blank contract can be found below.

In addition to a behavior change contract, you might also want to develop a related "tracking form" to note your daily performance of each planned action. For example, let's suppose you have four actions planned toward your goal of investing \$200 a month:

- Put \$3 a day, plus loose change, into a can.
- Say the daily affirmation: "I am a millionaire in the making."
- Bring lunch and a drink from home instead of buying them from vending machines.
- Buy only one lottery ticket per day instead of five.

Your tracking form would look something like the one below. You'll mark the box when the above actions are accomplished for each day of each week to check your progress toward your goal.

Behavior Change Progress Tracking Form: Health Goal

Week of: _____

Planned Action	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1. Walk 20 minutes at lunch with co-workers		X		X	X	X	
2.							
3.							
4.							

Behavior Change Progress Tracking Form: Wealth Goal

Week of: _____

Planned Action	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1. Save \$3 a day, plus loose change, in a jar	X	X		X		X	X
2.							
3.							
4.							

Behavior Change Contract

Name: _____

Health Goal: _____

I commit to take the following actions to reach my *health* goal:

1. _____

2. _____

3. _____

4. _____

Wealth Goal: _____

I commit to take the following actions to reach my *wealth* goal:

1. _____

2. _____

3. _____

4. _____

Self-Changer's Signature

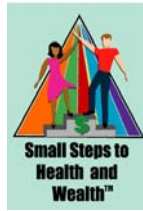
Date

Witness Signature

Date

Witness Signature

Date



Action Steps

Health

- List the obstacles for each health behavior change you intend to make and a way to address them.
- Identify up to five actions that can be taken most days of each week to reach your health goal.

Wealth

- List the obstacles for each financial behavior change you intend to make and a way to address them.
- Identify up to five actions that can be taken most days of each week to reach your wealth goal.

Health and Wealth

- Complete the *Behavior Change Contract* and post it in a visible place where you will see it every day.
- Use the behavior change tracking forms in the *Monitor Your Progress and Reward Success* fact sheet to check your progress toward your goals.

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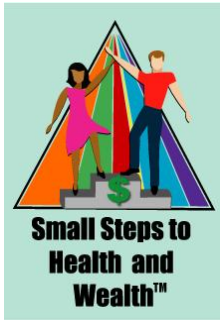
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Step Down To Change

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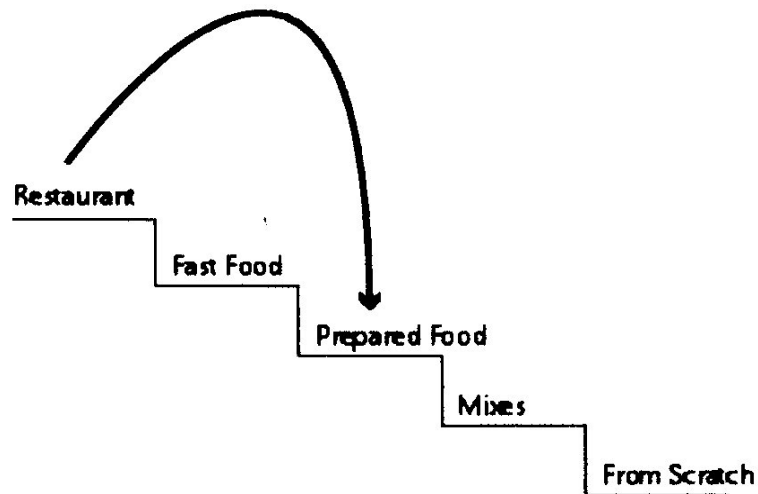
**“The greatest thing in this world is not so much where we are, but in which direction we are moving.”
Oliver Wendell Holmes**

The *Meet Yourself Halfway* fact sheet teaches readers to improve their health and increase their wealth by reducing portion sizes and discretionary expenses by half. This way you don't feel deprived of your favorite foods and activities that you enjoy. Another way to reduce consumption is to follow the “step-down principle.” Instead of eliminating a food or discretionary expense entirely, you choose a lower calorie (eating) or less expensive (spending) alternative to reduce how much you consume.

You've probably seen television advertisements for a product that helps people gradually quit smoking. It uses the words “step down” to indicate that a person's exposure to nicotine is reduced, in pre-determined stages, while using this product. According to the manufacturer, “stepping down,” by gradually reducing the amount of nicotine consumed, makes it easier to quit smoking than going “cold turkey.” In other words, the odds of successful behavioral change are greater when a person makes small, gradual changes than by making one large change all at once.

Professor Alena Johnson at Utah State University has written about “stepping down” as a method to reduce household spending. Just like the smoking cessation product described above, the principle is that people will be more successful, and feel less deprived, if their spending is reduced in gradual stages as opposed to eliminating spending on an item completely. To visualize the “step-down principle,” imagine a staircase with four steps. On the top step is the most expensive way to purchase an item and on the floor below the bottom step is the least expensive purchasing method.

To illustrate the “step-down principle,” Johnson provides an example of purchasing pancakes for breakfast. The most expensive method (top step of the staircase) would be going to a “sit-down” restaurant like an IHOP, Denny's, or Friendly's and paying about \$3.49, excluding a tip. The next step down would be to buy the pancakes at a fast food outlet for around \$1.99. Go down two steps on the staircase and you might pay 77 cents a serving for frozen pancakes purchased at a supermarket and 25 cents for four pancakes prepared with a dry mix. At the “floor” of the staircase would be the cheapest method still: about 16 cents for a serving of pancakes prepared “from scratch” (i.e., dry ingredients).



Source: Johnson, A. (1999). Changing financial behavior: The step-down principle. In C.R. Hayhoe and J.E. Morris (Editors). *Proceedings of the Association for Financial Counseling and Planning*, 157.

The “step-down principle” provides a variety of options to make a purchase. One person might decide to prepare “from scratch” pancakes on weekends when they have more time. Another might decide to buy frozen pancakes, a “step down” of two steps from a restaurant meal. They’d still pocket considerable savings (\$2.72 in the above example), although it won’t save them the most money.

The “step-down principle” also works well with other “discretionary” household expenses. For example, clothing, as shown below. Steps of spending, from top to bottom, might include department stores, a discount store, factory outlets, a consignment store, and thrift shops/flea markets/garage sales. Again, the more “steps down,” the greater the savings. You don’t cut out buying clothing completely, but you explore alternative ways to get more for the reduced amount of money you plan to spend.

- _____ **Top Step:** Expensive department store or specialty shop (e.g., Nordstroms, Talbots)
- _____ **2nd Step:** Mid-price department store (e.g., J.C. Penney, Sears) or factory outlets
- _____ **3rd Step:** Discount department store (e.g., Wal-Mart, Target)
- _____ **4th Step:** Consignment stores (“gently used” clothing)
- _____ **5th Step:** Thrift stores, garage sales, donated clothing

“Stepping down” can also refer to the frequency or amount of a purchase as well as where it is made. For example, you may decide to eat out six times a month instead of twelve. You’re not completely eliminating what is obviously a pleasurable activity. You’re simply taking steps to reduce the cost. Or you might “step down” by eliminating an appetizer, drink and/or dessert when you eat out. Again, you’re still enjoying an activity (e.g., restaurant meal), but doing so for less money (and calories!).

Just like spending, you can use the step-down principle to reduce caloric intake. For example, you might gradually step-down from 1 cup of whole milk (149 calories) to 2% milk (122 calories) to 1% milk (102 calories) to skim milk (86 calories). The table below lists some other healthy substitutions:

Food/Beverage	Good Substitute	Better Substitute	Best Substitute
Sour cream	Light sour cream	Lowfat plain yogurt	Nonfat plain yogurt
Mayonnaise	Light mayonnaise	Miracle Whip Light	½ nonfat yogurt; ½ MW Light
Fatty meats	Lean cuts of meat	Chicken and turkey breast	Fish (particularly finfish)
Fried foods	Using a cooking spray (e.g. PAM)	Food baked without added fat	Broiled/steamed foods
Ice cream	Ice milk	Sherbert	Lowfat yogurt
Donuts, pastry, cake, pie, cookies	Pudding made with 1% or 2% milk	Fig Newton and Ginger Snap cookies	Angel food cake, fruit
Regular potato chips or fried snack foods	Lightly buttered popcorn	Pretzels, unbuttered popcorn	Fruit, raw vegetables
“Supersized” cola or other soft drink	Medium sized cola or other soft drink	Diet soda or other diet type drink	Water

Another way to “step-down” is to modify recipes when cooking, with ideas such as the following:

- If a recipe like quick breads, muffins, or cookies calls for 1 cup of oil, use 2/3 cup instead.
- Use two egg whites or an egg substitute product instead of one whole egg to reduce fat and cholesterol.
- Reduce sugar by 1/4 to 1/3 in baked goods and desserts to reduce calorie content.
- Stop browning meat in fat because fat will drain from the meat as it cooks. Drain fat from meat before adding it to other ingredients.
- Substitute lower fat dairy products (e.g., lowfat cottage cheese) for those that are higher in fat.
- Use equal amounts of fruit purees or applesauce for all or part of the fat (e.g., oil) in recipes such as quick breads and cookies.

Now it's time to apply the “step-down principle” to one or more actions that are required to reach your health and wealth goals. Complete the *Step-Down: Health Practices* and *Step-Down: Financial Practices* worksheets, below, by listing up to four alternatives to a current practice that needs changing.

Step Down: Health Practices

Fill in the blanks with increasingly better alternatives to a current health practice.

_____ **Top Step (Current Behavior):** _____

_____ **2nd Step:** _____

_____ **3rd Step:** _____

_____ **4th Step:** _____

_____ **5th Step:** _____

Step Down: Wealth Practices

Fill in the blanks with increasingly better alternatives to a current financial practice.

_____ **Top Step (Current Behavior):** _____

_____ **2nd Step:** _____

_____ **3rd Step:** _____

_____ **4th Step:** _____

_____ **5th Step:** _____

Action Steps

Health

- Visit the Web site <http://homecooking.about.com> for ideas about healthy food recipe substitutions.
- Perform a step-down analysis on at least one current health behavior that you want to change.

Wealth

- Visit the Web sites www.66ways.org, www.stretcher.com, and www.goodadvicepress.com for ideas about ways to reduce household expenses.
- Perform a step-down analysis on at least one current financial behavior that you want to change.

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