

PERSPECTIVES

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Financial Planning

Prepare for your future self

By Johnny Lyall, Sales Assistant

Here's a question for millennials: Do you ever think of your future self? Do people ask you where you see yourself in 10 years? I wonder if you have given the idea any thought. Maybe it's time you should.

I suspect most people *don't* try to picture themselves in 10 years. That's unfortunate. Maybe the whole idea is just too daunting. Yet in reality, we will all one day be that future self.

Psychologist Daniel Goldstein makes a funny, intriguing contrast between what he calls our present and future selves. Goldstein says:

"Let's face it: The present self is present. It's in control. It's in power right now. It has these strong, heroic arms that can lift doughnuts into your mouth. And the future self is not even around. It's off in the future. It's weak. It doesn't even have a lawyer present."



I tried out an app that shows me what I might look like in 2047. Wow, I thought. That old goat is going to be me one day – and I need to look out for him! It's a good idea for all of us to think of our future selves from time to time and what we hope our lives will be like. It's also good to recognize that the odds

of things working out are going to be really low if we just wing our way through the years.

As millennials, another thing we need to think about is that our life expectancy is much higher. We could live to be 100 years old. This means each of us needs to have enough money to last and keep us happy in our golden years.

Lots of people think or say, "I'll let my future self worry about that." They anticipate that their future self will earn more, or have the capacity to cover whatever it is they are spending right now. People often spend too much and buy things that are out of their means, all because they are rationalizing that they can pay for it later. That is not a smart way to plan for your future.

One thing that makes it too easy for people to overspend is credit cards, as well as the bank's willingness to lend them money they don't have. Way back in the day before credit and debit cards, people would be paid their earnings in cash. If they spent it all before the end of the month, tough luck! Getting paid in cash was actually a great way to prevent them from getting into debt.

Thankfully for us as millennials, there's good news. We have time on our side. We can help our future selves by starting to put money away now and setting some goals for ourselves. Studies show that people who write down their goals accomplish significantly more than those who don't. So try it: Write down your goals!

In our upcoming articles, we will be touching on topics such as tracking spending, budgeting, saving and investing. Through these, we're aiming to give you helpful tips on how to take control of your situation – and get prepared for your future self. ■



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