

# A FRESH PAIR OF EYES

Weekly Edition – 1/19/2014

**SEAN STEIN SMITH - MBA, CPA, CMA, CGMA**

## **Saving with a purpose**

Budgeting can be a tedious and complicated process that is full of pitfalls and problems, but it does not have to be that way. Through planning, monitoring, and a little creativity, the budgeting process can go from something that is dreaded to something that is enjoyed. Gaining a firmer understanding of your personal finances and personal financial plan is not something should be avoided. Rather, it is something that should be embraced and enjoyed.

Additionally, one of the most challenging parts of the budgeting process is the fact that it may often seem like an endless process that has no “end.” One of the strategies that can be used to address this problem – a psychological one – is to budget for a specific goal in mind. Not only does this give the budgeting process a timeline, or end date, but it also provides a built-in reward system as well.

By budgeting for specific events or occasions, you are addressing two of the most powerful underlying psychological reason for budgets fail – a indefinite time frame and a lack of rewards.

Let's get started

Here the link to my weekly podcast - The Weekly Business Roundup

[Weekly Business Roundup 1/19/2014](#)

## **Contact - A Fresh Pair of Eyes**

Feel free to reach out with your comments/suggestions or questions.

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## **INVESTING TIP/DEFINITION**

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### **Bringing it all together**

Budgeting, as has been discussed routinely by *A Fresh Pair of Eyes*, is an iterative process that is essential to establishing a solid personal financial plan. In addition to giving insight to your spending and saving habits, putting together a budget can help you uncover things that had escaped your attention before. Example – is that premium TV package that you never really utilize a good use of your money each month? While there are many benefits to putting together a budget and personal financial plan, there are also some significant challenges.

In addition to actually setting aside the money each week, or month, to get a budget started (which can be difficult in and of itself), there is also a large psychological barrier that many people face. Budgeting is often thought as depriving yourself of the fun and enjoyable things that you doing or experiencing. While a budget does usually involve some type of trimming back on certain items, it does not have to eliminate them altogether.

By budgeting for a specific purposes, as well as for overall financial health, you can work toward your financial goals, and still be able to enjoy the things that make you happy. It's a win-win!

What do you think?

### **Psychological hurdles**

Virtually everyone knows the pieces that are required to transform a budget idea into budget reality - some type of planning, something to track it down with, and a plan for the future. What is not usually discussed is the psychological challenges that accompany the process. Budgeting can be a frustrating and tedious process that, when undertaken alone, can be quite a challenging endeavor. It doesn't have to be.

**Budgets** – The very word brings to mind, usually, a negative connotation. This, however, does not have to be the case – with some planning and monitoring, the budget process can become a powerful tool in your financial toolbox.

### **Reward yourself**

One of the biggest complaints concerning the budgeting process is that people feel as if they are punishing themselves, or depriving themselves of many of the things that make them happy. Dinners out, that new handbag or suit, or the newest version of your smartphone of choice are usually the casualties of the budgeting process. Give yourself rewards every so often.

## **What do you think?**

Let us know what you think, and it might become the topic of a blog post or follow up newsletter article.

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# THE WEEK AHEAD

Sean Stein Smith - MBA, CPA, CMA, CGMA

It is always good to recap and to analyze what happened during the past week, which is what I strive to do via the weekly roundup podcast (link to it is above). In addition to analyzing what did happen, it is equally important to look forward to try to anticipate how the upcoming events of the week ahead could impact you and your money. That is the point of this column, which is broken down into domestic events, as well as the international events that could be of importance to your investments.

## Budget Tip – Piece by piece

If budgeting for an entire year seems slightly intimidating that is ok – that doesn't mean that you cannot start the process. By breaking down an annual budget into monthly or even weekly budgets, there are several benefits that you can recognize. First, budgeting a week or month is simpler than budgeting an entire year. Second, you are more likely to stick to short-term goals than longer term ones (just because it's less work). Third, the reinforcement cycle that can be established is extremely valuable.

## Excel Tip – Those Function Keys, Part 2

Have you ever wondered what those F1 – F12 keys are for? Let's look at a few of them and see what exactly they do.

F5- restores the size of the window size to autofit your worksheets

F6 – switches to next pane in a workbook

F7 – opens the spell check dialogue box

F8 – turns extend mode on or off, which allows you to add non-adjacent cells to ranges of cells

What do you think?

Let me know if these tips were helpful

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## Domestic

Let us start our discussion with the news and economic activity that are on the agenda for the U.S. this week.

The data breaches that have occurred at several major retailers before, during, and after the holiday shopping season is a story that will not go away. The growing list of corporate victims is indicative that there are severe problems with the digital infrastructure currently being used by many retailers. The growing importance, and controversy, surrounding the tech industry and digital infrastructure will certainly have an impact on markets moving forward. Firms that participate in the digital security industry, retailers, and individual consumers will all be impacted by these stories moving forward.

Another trend that should be monitored this week, and for the year moving forward, is the impact that corporate earnings will have on the marketplace. 2013 was marked by large buybacks, cost-cutting, and increasing dividends. While all of these efforts did increase bottom line earnings and were good for stockholders, there are many people who are now saying that the era of cost-cutting must come to an end.

Even if you do not own stocks directly, it is essential to remember that retirement plans, pension plans, and other investment plans are, virtually all, exposed to the equity market. Of course, if you work for a publicly traded firm, this will have an even more pronounced impact.

Of course, there will be corporate news announced during the week as well, so keep your eyes open and check out the blog @

<http://ssteinsmith.com/> for daily analysis!

## International

The difficulties surrounding the French President Francois Hollande continue to mount. Facing criticism over his economic policies at home is a strange juxtaposition to the firm and decisive military action taken abroad, and the more recent revelations concerning his personal life have not helped. He is currently meeting with supporters and advisors in central France, a traditional stronghold



## THE WEEKLY EDITION

### Feedback is Always Welcome!

Feedback is the key to continuous improvement, so if there are any topics, themes, or stories you would like covered in the weekly newsletter, or if there is something you wish to know more about, please send an email to [afreshpairefeyes88@gmail.com](mailto:afreshpairefeyes88@gmail.com).

Thanks again for reading!

Sean

### **A Fresh Pair of Eyes**

**Making Sense of Finance and  
Accounting**

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[A Fresh Pair of Eyes](#)

If you like the newsletter, you might also enjoy the book. "A Fresh Pair of Eyes - Finance for the Young Investor" is available on both Amazon and in the Kindle Store.

### **A Fresh Pair of Eyes - Finance for the Young Investor**

Personal Financial Planning

### **A Fresh Pair of Eyes - Personal Financial Planning**

And my new book - Stocks

### **A Fresh Pair of Eyes - Stocks for the Young Investor**

