

Secrets For Successful Decision-Making

A decision to finance a car, to purchase a home or plan an investment program will have consequences that extend far into the future. Because of the long-range effects of so many of these decisions, you need all the advice and factual help you can get. To help make the best financial family decisions, consider the following tips:

1. Recall past experience

One's own experience is not foolproof, but if it is true that experience is the best teacher, then at least you can apply what has been learned and avoid making the same mistakes.

2. Keep financial records

Financial records may not provide answers to new problems, but they can shed light on how much money is available to work with.

Even the most elementary records can reveal a great deal about one's financial situation. In considering a venture that requires a financial commitment of some kind, it is necessary to know how it may affect commitments that have already been made. From one's records, it is possible to determine how much income has already been committed, how much is required for daily living expenses and how much will be available for new expenses.

3. Borrow experience from people you know

Often our own experiences and our own records do not relate to the financial problem we must solve. For example, if one wants to go about setting up a personal investment program, nothing from past experience may help in this area. Perhaps you are planning to buy your first home. It will be important to find a friend who has already done so and ask them about closet space, traffic areas, kitchen sizes, acquiring a down-payment and working with realtors. Other people's experience may not always suit your needs or situation, but it can suggest some possibilities and serve as a starting point.

4. Look up specific information

Investment in real estate, mutual funds or stocks might require several trips to the local public library or to the internet to seek additional information and knowledge. It is this

kind of background information and understanding that is essential in choosing a course of action.

5. Consult professionals and experts

Sometimes experts are not in the same professional field, but have a lot of personal experience. Other professionals are far from being experts! There finally comes a time when one must consult a professional or an expert, especially when considering financial matters. Specialists in each field can give sound advice. Accountants, for example, are in the business of helping people solve critical and perplexing financial and tax problems. But seek several references before taking the advice of any one professional!

Decisions need to be reviewed. They seldom remain fixed for all time. Just because a problem has been solved once and the solution seems to be functioning as planned does not mean that the problem will never have to be solved later on.

“Decisions need to be reviewed. They seldom remain fixed for all time.”

Nothing about life remains static. Things are constantly changing. It is impossible to predict accurately what we will face next week or next year and to forecast what financial problems will confront us five and ten years down the road.

To keep up with the changes in our lives, financial decisions as well as a multitude of others must be reviewed regularly. They must be kept in line with one’s goals and circumstances.