

— Strategy 15 —

AUTOMATE GOOD HABITS AND CREATE TEMPLATES

We are responsible for our own life—
no other person is or even can be.

—Oprah Winfrey

The great American poet Carl Sandburg once said, “The time for action is now. It’s never too late to do something.” Have you been procrastinating on taking action to improve your health and increase your wealth? If so, there’s a simple solution to your inertia: automation. Automation is the perfect antidote for procrastination because it reduces the number of decisions you need to make. As David Bach, author of *The Automatic Millionaire*, notes, “Do it once—the rest is automatic!” In other words, you take positive action at the outset (e.g., to choose a weight loss plan or authorize payroll deductions for your 401(k) retirement savings plan) and then the system works for you without the need for continuous thought and discipline. Automated behaviors increase the likelihood of success because many people are simply too busy, too undisciplined, or both to oversee their diet and finances on a daily basis.

Automate good eating habits by trying these USDA tips:

When eating out:

- Choose a “small” or “medium” portion. This includes main dishes, side dishes, and beverages.
- Remember that water is always the best option for quenching your thirst.
- If main dish portions are larger than you want, order an appetizer or side dish instead, or share a main dish with a friend.
- Resign from the “clean your plate club”—when you’ve eaten enough, leave the rest. If you can chill the extra food right away, take it home in a “doggie bag.”
- Ask for salad dressing “on the side” so you add only as much as you want.
- Order from the menu instead of the “all-you-can-eat” buffet.

At home:

- Once or twice, measure your typical food portions you eat often. Use standard measuring cups to estimate the portion size of these foods and similar foods.
- Be especially careful to limit portions of foods high in calories such as cookies, cakes, other sweets, and fats, oils, and spreads.
- Try using a smaller plate for your meals.
- Put sensible portions on your plate at the beginning of the meal and don’t take “seconds.”

There are a variety of ways to automate one’s personal finances and put saving and investing on automatic pilot. Financial planners often use the term “pay yourself first” (PYF) to describe a disciplined savings habit where savings are deposited from a worker’s gross income before the money can be spent. A good analogy for PYF is the withholding that is done automatically for income taxes (unless you are self-employed and must do your own withholding). Just like the government deducts taxes from your gross income, you can choose to have money for saving and investing deposited as an “expense” in your household budget. “Think of it as a bill you owe yourself,” says the National Endowment For Financial Education.

So how do you automate good health and wealth practices? By putting them on a regular schedule or following a predetermined plan. Review the examples of automated health behaviors in Table 9, on the next page, and automated wealth behaviors in Table 10, page 68. Then, fill out Worksheet 23, *Automated Health and Wealth Strategies*, page 69, to identify planned actions. List up to five automated strategies that you plan to use to reach your health and wealth goals.

— TABLE 9 —
Examples of Automated Health Behaviors

Automated Health Improvement Practice	Examples and Description
Personal Exercise Routines	<ul style="list-style-type: none"> • Start a habit of walking 15–30 minutes on your lunch hour. Encourage co-workers to join you to make it more fun. • Block off “dedicated time” for physical activity and consider it a normal part of your daily routine to exercise at this time. • Combine exercise (e.g., treadmill or elliptical trainer) with watching your favorite television shows so you can do both simultaneously.
Weight Loss Programs	An example of diet automation is Weight Watchers POINTS plan where each food has a point value. People following this plan can eat any food they want as long as they stay within their daily point “budget.” Not surprisingly, nutritious foods are low in point values to guide users toward healthy food choices. Plan participants do not have to research and count food calories because the point plan structure effectively does this for them.
Packaged Meal Products (e.g., Shakes)	Products such as Carnation Instant Breakfast provide portion-controlled meals and snacks. Specific products include shakes, meal bars, snack bars, and powders. Advantages of these “meals in a package” include convenience and clearly defined servings. A can of Slim-Fast Rich Chocolate Royale, for example, contains 220 calories and a percentage of the recommended daily allowance for a number of essential nutrients. Disadvantages include lack of variety over time and a relatively high cost compared to a homemade meal. Six cans of Rich Chocolate Royale cost approximately \$9. This is a three-day supply because the Slim-Fast weight control plan recommends eating two Slim-Fast meals a day, along with healthy snacks, exercise, and a sensible third meal. The annual cost of two shakes per day would be about \$1,100 (2×365 divided by 6 = 122 packages per year $\times \$9$ a piece, plus sales tax).
Routine Health Screenings	The key to staying on schedule is to mark the dates for key health screening exams (e.g., annual physical) on your calendar so you can keep appointments scheduled at recommended intervals.
Programmed Express Workouts	A number of health clubs, such as Curves For Women, offer 30-minute circuit training workouts using a variety of hydraulic resistance machines. Billed as a way for clients to fit exercise into a busy schedule, these express workouts include stretching and strength training. The exercise routine is programmed in advance and users simply work their way around the circuit. There is no need for users to purchase any equipment or develop their own exercise routines. Like any health club facility, the cost of an express workout facility may be a challenge to some potential users. Those who use the service the most will pay the least on a cost-per-workout basis.
Meal Plan Templates	There are many places (e.g., dietitians, reputable nutrition websites) to get “template” menus based upon recommended dietary guidelines and a user’s daily caloric intake. The basic meal plan is already pre-configured. All someone has to do is choose a specific food (e.g., one medium fruit, or 3 oz. of broiled chicken or fish, or ½ cup cereal) that fits the template menu. Meal plan templates are available from www.choosemyplate.gov .

— TABLE 10 —
Examples of Automated Wealth Behaviors

Automated Wealth Improvement Practice	Examples and Description
Tax-Deferred Retirement Savings Plans	Authorize payroll deductions for a tax-deferred 401(k), 403(b), or 457 plan. If employer matching is available, try to save at least the amount that will earn you the maximum employer match (e.g., 6% of pay). If you can afford it, try to take full advantage of tax-deferred accounts and contribute the maximum amount allowed by federal tax law. If you start a new job and your employer automatically enrolls you in a 401(k), don't opt out. Instead, raise the low initial "default contribution rate" to the highest percentage of pay possible.
Save More Tomorrow Plans (Automatic Contribution Increases)	If available through your employer, take advantage of retirement savings plans which automatically increase your tax-deferred retirement savings plan contributions every time your pay increases.
Employer Credit Union	Authorize payroll deductions for deposits to a credit union. This money can be used to save for short- and intermediate-term goals such as an individual retirement account (IRA) deposit or the down payment for a new car.
Automatic Portfolio Re-balancing	If available through your tax-deferred retirement savings plan or brokerage firm, sign up to have your investment portfolio weightings automatically reviewed and re-balanced to their original percentages (e.g., 60% stock, 20% bonds, 10% real estate, and 10% cash assets) at least once a year.
Automatic Stock and Mutual Fund Deposits	Sign up for automatic investment plans (AIPs) where you pre-authorize periodic debits of a bank account to purchase shares (e.g., \$50 per month). Often, when investors sign up for an AIP, they are allowed to invest smaller dollar amounts than if they hadn't selected this option. AIPs make investing more affordable for investors with small dollar amounts.
Automatic U.S. Savings Bonds Purchases	Authorize payroll deductions for deposits to purchase U.S. savings bonds if your employer sponsors a purchase plan. Another automatic option is the Federal Reserve's Treasury Direct plan. For more information, visit www.treasurydirect.gov .
Automated Bill-Paying	To save time and money writing and mailing checks, use automatic bill paying for fixed expenses such as a car loan.
Automatic Checking to Savings Account Transfers	Many people find that money slips through their fingers if it is in a checking account that can be accessed with checks or a debit card. Automatic transfers to savings can help avoid this.
Target Retirement Date Mutual Funds	These are mutual funds with a future date in their title, such as the "Retirement 2040 Fund." Target-date retirement funds are generally packaged in five- or ten-year increments. The fund invests in what it considers to be an appropriate asset mix for each target date and automatically adjusts the mix to a more conservative profile as shareholders get closer to retirement. Many major mutual fund companies, such as T. Rowe Price, Fidelity, and Vanguard offer funds of this type. The asset allocation weightings and fees can vary among investment companies, however, so a careful reading of the prospectus for funds you are considering is in order.
Financial Templates	Financial planning maintenance tasks, such as calculating net worth, analyzing investment asset allocation percentages, and preparing a spending plan (budget) are easy to update with computer software programs such as Intuit's Quicken and Microsoft Money. Another option for quick financial calculations is creating a spreadsheet in Microsoft Excel. Several Microsoft Excel spreadsheet templates can be found at HTTP://NJAES.RUTGERS.EDU/MONEY/DEFAULT.ASP#RESOURCES .

— Action Steps —

Health

- Eat at least one meal per day that follows a healthy meal template based on dietary guidelines.
- Select an automation strategy to incorporate regular physical activity into your daily routine.

Wealth

- Start or increase deposits to an employer retirement savings plan or credit union via payroll deduction.
 - Select an automated investment strategy for individual investment accounts (i.e., those that are not available through work).
 - Use a spreadsheet template or financial software program to track your financial progress.
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Worksheet 23

Automated Health and Wealth Strategies

Write your health and wealth goals in brief phrases. Then, list up to five automated strategies you plan to use to reach your health and wealth goals.

Health	Wealth
Health goals	Wealth goals
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.