

## Spend Your Way To Fulfillment With Powerful Simplicity

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### Pursestrings

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Dear Friends,

Fulfillment can be seen as completion which can help you manage an unknown future with calm and confidence. Today, we discuss how spending habits and choices can move you closer to material fulfillment in the present time and in the future, which will eventually become present time. Consider four dimensions:

- Human capital
- Needs
- Wants
- Savings

Allocating money and energy to develop your human capital through skills improvement and knowledge expansion is a proven way to maintain and increase income and general sense of satisfaction. Lifelong learning pays huge dividends by opening channels of social contacts and exposing strengths you may not have been aware you had.

The next three items channel your spending to help reach material fulfillment without a budgeting strait jacket that keeps you mired in the details. With your finances running smoothly, you can get on with life.

Building on Elizabeth Warren's 2005 book, [All Your Worth](#), we show how consciously allocating among needs, wants and savings can give you the balance that won't be disrupted by illness, unemployment or self-inflicted debt binges.

Depending on the cost of living in your area, allocate 50% to 75% to needs, 15% to 30% to wants and 10% to 20% to long-term considerations like retirement or funding for big emergencies. Below we show you how to easily, with no recordkeeping, channel your income to all that is important to you. It's not important to hit any specific proportion of the three areas, but it will make you a happier person if each of them can be covered with at least some expenditure. You can always work toward what you consider your optimum mix.

Here's how the system works. You need two debit cards, one each for necessities and for wants. Your allocation to savings ideally will come from payroll deductions or from one of the two bank accounts via automatic debit. Alternatively, substitute no-fee credit cards for the debit cards if you can pay the balance each month. Credit cards offer more consumer protection than debit cards and may have perks that debit cards don't have. Use the debit cards if simplicity is one of your major goals.

Living from paycheck to paycheck with nothing left over? Start by routing a percentage of your income to your company's retirement plan. Retirement plan contributions are often matched by employers, so you gain an immediate visible benefit when the company contribution hits your retirement account. After a time, you will likely adjust to the new contribution from your paycheck. Then do the two-card system at whatever proportion you feel works for you, adjusting your savings contribution upward as you can.

Over time you can achieve the balance and material fulfillment which places home finances on worry-free autopilot, requiring only occasional oversight.

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