

# HABIT LOOP BUILDER

## MISSION

Create a new habit loop by:

- Identifying your keystone habit
- Experimenting with routines and rewards
- Establishing money-saving habits



## SPENDING PATTERNS

**Task: Identify your money habits.**

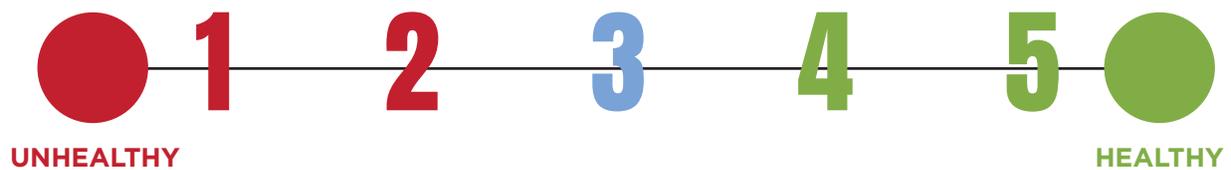
Pull out your Wants versus Needs tracker. Did you see certain items that you bought over and over again that reflect nothing more than a bad habit? Maybe your small purchases at the coffee shop really added up after a month? Or you noticed that paydays and large Amazon purchases seemed to go hand-in-hand? Look for the patterns and identify any spending habits.

**Write down any spending patterns you identified.** (Example: I often spend about \$100 on restaurant meals on a weekly basis.)

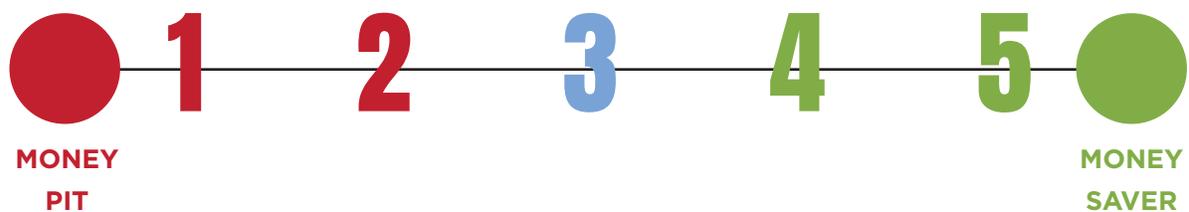
A keystone habit is like your “super habit.” It’s the habit that feeds into all your other habits. It can be a bad habit, like eating junk food or smoking, or a good habit, like waking up early and meditating. What’s your keystone habit? Do you have one? Where does your keystone habit rank on the health scale? How about the financial scale?

**My keystone habit is:**

On the **healthy scale**, here’s how I’d rank my keystone habit. (Mark the number that best represents your answer.)



On the **financial scale**, my keystone habit is a money pit ... or saves me money.





# CHANGE YOUR HABIT LOOP

Task: Experiment with cues, routines, and rewards.

Select one habit you'd like to change and write it down:

TIP: When you feel the urge for your habit, ask yourself:

- What time is it?
- Where am I?
- Who else is around?
- What did I just do?
- What emotion am I feeling?

Habits are built on a cue (or trigger), routine, and reward.  
Here's my current habit loop.

My cue is:

Which touches off this routine:

And my reward is:

*Changing your habit requires some experimentation. If you'd like a good visual guide, download Charles Duhigg's flow chart on how to change your habits.*

Identify three things that you can substitute for your reward.

1

2

3

Remember, this is an experiment. Your first substitute might not work at all. That's okay. Keep going until you find a satisfying reward. When you've identified it, write it here.

My new reward is:

Now that you know what your cue is and you've settled on a different (hopefully, better) reward, it's time to insert a new routine. Complete this statement.

When (cue):

I will (routine):

Because it provides me with (new reward):



# MONETIZE YOUR NEW HABIT

**Task: Estimate your savings (or loss)**

Can you put a dollar amount on your new habit? Some habits are difficult to monetize. For instance, if you've traded in a low-cost item (like potato chips) for a more expensive item (yoga), you may be spending more money in the short-term. But it's likely that your yoga substitute leads to better health and more energy, which can have a positive impact on your earnings. Another example is replacing cheap unhealthy fast food for homemade meals made with organic products. Your grocery bill might exceed the money you spent on fast food, but the dividends to your health are enormous.

If you can monetize your new habit, give it a try below.

My old reward was:

and every week on that reward I spent approximately: \$

Annually, that was: \$  
(weekly cost x 52)

**that I could have been saving or using on something more meaningful to me.**

My new reward is:

and every week on that reward I will spend approximately: \$

Annually, that is: \$  
(weekly cost x 52)

Your last step is to calculate the savings (or loss) from your new habit. Subtract your new costs from your old cost to find the difference.

\$	Annual cost of old reward
— \$	Annual cost of old reward (minus)
<hr/>	
\$	Savings (or Loss)