



WELCOME

Coming up is the first article in our Money Matters series. The intention is to share our views as we look at the world of finance and how we believe it affects the everyday lives of ordinary people. I realise it all sounds pretty boring and something most of us don't need to know. Despite this, please indulge us for a while longer.

First off, we aren't financial geniuses, consultants, brokers, or anything like that. We're just average folk trying to live a comfortable, uncomplicated life while keeping our heads above water. So far, we've managed that, mainly by watching what happens around us and taking up any available options likely to improve our situation.

This is what we'd like to do for you – help you achieve a better, happier lifestyle. Whether you have little or no money and need more, or you have enough and are afraid of losing it, a bit of friendly advice can't hurt, surely? What we are about to offer is free, except for (always a catch, isn't there?) whatever it costs you to read, download and print the words you now see on screen. We've even tried to minimise that by the way we've set up the Website.

In an attempt to present articles that are easily understandable, subjects dealt with have been simplified. But we haven't trivialised them, just trimmed away the confusing excess to concentrate on those aspects that we all have some control over.

We'll be featuring personal budgeting with an emphasis on seeking out and making changes that can help spin the money round a bit further. Credit and credit cards will be looked at, along with ways to make them less of a burden. One subject which will keep popping up is investment. Even if you think this doesn't matter to you, maybe because you have no spare cash to waste on grand schemes, you actually invest in many areas already – your house or apartment and what makes them a home, the car, clothes; even, and especially, your body and mind.

All too hard to think about? That's why we're here and talking to you now. So if you can spare a little of your time to have a read, we hope there'll be something of use to you in the following article. Further issues will appear regularly throughout the year and we invite you to drop by as often as you wish. Every day is a bonus in A Season Of Happiness.

The Meaning of Money

Once upon a time, the essentials of life were the basic elements of air, fire, water and earth. Now, it would seem, money can buy all of these, plus anything and everything else. Consequently, it has become both saviour and destroyer; and, in between, the motivating factor for the majority of the human race. The old saying claims money to be the root of all evil. Whether it is, or not, there is little doubt that, at some time in a person's life, it will be the cause of regret, perhaps misery.

This is such a negative viewpoint that it would seem an inadvisable subject to discuss on a website claiming to be about happiness and positive thinking. The safest option would have been to avoid it altogether; but that wouldn't make the problems it causes go away, or help in finding solutions to them.

We at A Season Of Happiness, would like to present some thoughts and ideas that will put the influence of money in its rightful place. To a greater or lesser degree, it affects us all. From simple savings to major investments, we need to make our money count, while avoiding the pitfalls of blind ignorance.

A horrible word, isn't it? - insulting. Ignorance sounds like "dumb" or "stupid". But it is neither of these. It simply means "not knowing". Being ignorant should only ever be considered a

temporary condition for which knowledge is the remedy. Take any situation, look into what makes it tick, and the result of handling it will be far more satisfying.

So, how do we get extra money? Isn't this what most of us think? There never seems to be enough, and the only real chance of climbing out of the financial rut is by winning the lottery. Even if we did, there's no guarantee it would make life better. Many who won the jackpot discovered the opposite. The plain fact is, most ordinary people can't handle large amounts of money. And another sad truth follows – many aren't much better with small sums either.

Put it down to the pressures of modern society. Although a major part of the day is devoted to earning a living, the monetary reward is often taken for granted and, as a consequence, receives far less respect than it deserves. There isn't time to weigh the merits or advisability of purchases. If they are desired, they are acquired - there and then, in passing, as part of a deal or special offer, or for any number of reasons, from essential to impulse. Even personal choice can be taken out of the equation. Whether affordable, or not, the pressure to buy in order to impress and maintain standards is ever-present and frequently overwhelming in the form of advertising, peer pressure, fashion trends and so on. It is easier to cave in than resist the temptation and end up feeling deprived.

There is actually no secret to making money. It is simply a matter of paying out less than is coming in. Expenditure should be dictated by income. In a strictly cash situation, such is the case and there's nothing to think about except 1 minus 2 doesn't work. Unfortunately, the introduction of credit complicates the scenario. This passes the decision back to the individual who can buy now, pay later and, as so many discover, regret forever after.

More negatives again, unfortunately, but if they are regarded as timely warnings and obstacles to overcome, they provide great motivation for beating the odds. And they can be beaten.

Before any strategy to this end is even contemplated, the current state of affairs has to be reviewed applying brutal honesty. Reduced to a cash format, it will be easier to understand. Assuming the day of reckoning has arrived and everything that is owed must be paid on the spot, would it be possible? How much actual money is available, if not immediately, then sooner rather than later? This can mean everything from bank accounts and temporary loans to family and friends, down to the odd coins in the car's ashtray. It should not include anything that has to be sold off.

Now, at the same point in time, how much is owed? The exercise is probably looking grim already, even before all the figures are on the table. Very few people will come out on the plus side. Most owe more than available cash can cover. Selling off assets might save the day, assuming there is sufficient equity to provide a surplus, but sacrificing the car, home and the white goods is both depressing and over-the-top unless absolutely necessary. And anyway, everyone's in the same situation. Why try to be different?

No reason whatsoever. Mortgages and purchase loans are quite normal and acceptable, especially for new-starters. Balanced against regular income, they are usually only available to those who have the ability to repay their current debts. As transactions of major importance, these warrant special consideration and will be dealt with later as separate issues. For now, it will be assumed that home-loans and the like are in the same category as rents and are therefore unavoidable.

So, if the cost of a residence and the car loan are a must and top of the outlay list, where does the remainder of the money go? There will be various regular payments for utilities such as electricity, gas, water, phone, etc. It is relatively simple to scan the statements and make a list of the essential out-goings. Some, if not all of these, may be offset in the short term by paying with credit cards. On the down-side is the interest incurred which adds to the cost of the initial bill. This must be included.

Other expenditure will feature food, travel expenses, clothing, medical the list goes on. Basic survival isn't cheap, let alone the odd luxury, or treat. Depression looms heavily again and it would be far less stressful to dump the whole dismal affair into the too-hard basket. Sorry to say

it, but that's pretty much the story of our lives. It's why we look at the success of others and bemoan the fact that we can't achieve the same for ourselves. It's the very reason we have to try a little bit harder and, just this once, give ourselves the break we need to make all those long-standing dreams a reality.

How To Avoid The Credit-Card Trap

Assuming the incentive to continue is still alive, what's the next step? The basic sums are done. Expenses outweigh income. How can this be turned around? It has already been established that certain outgoings are essential. Mortgages, rents and loan repayments can't be avoided. What else is there?

One of the most convenient purchasing tools is the credit card. It is also arguably the most dangerous. Think of it as a magic lamp. Swipe it and your wish is granted on the spot. You have something extra, yet the cash in your pocket hasn't diminished and, if anything, you're probably feeling pretty pleased with yourself. But there's nothing for nothing. The genie will eventually come around to collect – WITH INTEREST! There is, of course, the get-out clause, the option to make a minimum monthly repayment. Accept it and you've sucked yourself in. By the time you've finally paid for those trendy jeans you simply had to have, they'll be out of fashion to the extent that you wouldn't be seen dead in them, and they will have cost you much, much more than you'd have been prepared to pay up front.

The simplest way to make credit cards work to advantage is by keeping purchases below the monthly cash surplus. In other words, don't buy more in any one month than can be paid for at the end, plus extra for interest. This, at least, will prevent the total owed from increasing, but it won't reduce the previous balance. The only way to do that is pay a bit more. Can't afford it? If that's the bottom line, hide the credit card, or cut it up!

Surprisingly, to take this seemingly drastic step wouldn't be the end of the world. In fact, it would be the beginning of a new day leading to a time when the magic credit card becomes an ally rather than an enemy. Once again, we'll cover this in more detail later.

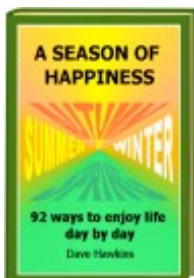
Later, you're probably thinking. Why don't they give us something that will make a difference now? In effect, we already did by advising you to spend less than you earn. Here are a few more ideas to think about:

- ✓ Make a promise to cut back on extravagance
- ✓ Don't buy more than you need
- ✓ Shop from a list to fit your budget and stick to it
- ✓ Plan your trips so that you use your car more efficiently.

Most of all, the key really, is to sharpen your awareness and take time to use it properly. Don't just look and listen, but examine in detail. The information is there on the packaging and labels, hidden in the fine print, facts and figures which will give you a fair idea if you are about to be conned. You'll be saving money immediately, thousands in the long term. And if you don't blow it all, there'll be some left over to invest which will earn you even more. Isn't that a nice thought to sleep on?

Next issue: Saving On Credit – ways to take advantage without becoming a slave to it.

Don't let money rule your life. Find your own solutions anytime.



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