



Save Your Money

A Way to Live an Abundant Life!

By Key Yessaad, Exit Realty 7/2/2008

Saving Money has nothing to do with your income... strange huh! Previous generations understood that and lived their lives aware that one ought to conserve, save for a rainy day... we instead spend, spend, spend... what happened?

Maybe our elders were buffoons... they weren't sophisticated enough to understand "High Finance." After all we live in the age of Computers, the Internet, and Global Communications; surely we need not worry as much as they did!!! "*Right!!?*"

We could learn a lot from previous generations...

Saving is a virtuous activity...

Living within one's means is good...

Putting money away for a rainy day is admirable...

Saving is a state of being; a way to live one's life to the fullest.

Our current national rate of Savings is negative; we slid from over 11% in 1985 to below zero... our spending is out of control.

Saving does require changing one's thinking about spending and consuming at all cost. Even our government has it wrong; they send us Rebate Checks so we can spend it to stimulate the economy. That cannot go on... we must learn to enjoy those things we can afford and grow up to be ok with the things we can't... As a disposable economy we devour everything in sight and we pack the landfills with our garbage; we need to bring sanity to our behavior and start teaching our kids by our example of restrained consumption.

So what are we to do...

Start saving as a way of life. I don't advocate a radical change but the introduction of "saving a little at the time;" gradual steps will start creating the conditions for change.

I can already hear the raucous discourse about how some of us don't make enough...; or that it is a hard habit to start. Let's try to tackle some of the resistance to saving:

1. "I don't make enough to save a dime." You must understand that if you become conscious of "saving" on a monthly basis you will become conscious of your spending. This may mean getting a jar in which you consciously put a Dollar a month away for the first few months... it is the act, the discipline, the awareness that's good; it will trigger the virtuous habits of planning your future. This month you put away a dollar... next you look at you cable bill and decide whether you should be spending \$100 a month when you are barely making ends meet... Don't talk yourself into failure because your means are limited. The habit will cause you to bring your consumption into focus and each dollar you keep will help your family prosper.
2. **Get rid of Debt and Save at the same time.** This is where I differ with most experts. Most want you to pay off debt first and once you are debt-free to start saving. My approach takes into account that those who do not develop the habits of saving never get to the point of eradicating debt. I advocate that you find a token amount, say \$5, and save it every month no matter what, and to take the rest of your additional money towards debt. So if your income is \$125 more than your budget, put \$5 in a Savings account and \$120 towards paying your debt. (You will need to be watchful of your spending in order to consistently live within your means.)
3. Accept that **DEBT is a 4-letter word**. Credit Card companies have made it easy for you to be indebted to them; As a nation we owe them nearly a TRILLION DOLLARS; it is a racket you will never win and the odds are stacked against you (*see BusinessWeek June 16, 2008*). They control every aspect of the transactions and have gamed the system so a person without debt is less worthy of a loan than one with... Credit Scores were not designed to take care of you but to keep you at the mercy of the system. Make sure you stop the hemorrhaging of your money by not getting into more debt. This can become a vicious cycle if you are not focused on your means of making a living. You are in a sense developing good habits as you let go of bad ones.
4. I have never saved how do I get started? This is very easy – if you are able to find \$25/month to put away open a savings account and have your bank draft that amount monthly. If your bank does not offer you this service for

free find another bank. (*see below about my feelings on banks.*) To be honest with you find a system that works for you. If going to the bank with your \$25 each month to put it away in a Pass-Book account gives you satisfaction than do it... it is about creating the feeling and the habit that you are consciously saving your hard-earned money. Like any habit, repetition will create in you the desire to re-enforce it and you will become an example for those around you.

5. A note on Banks: I say "shame on our banks!" what happened to advocating for the Goodness of Saving? Most banks are a disgrace; they make it hard for us to save and lure us into spending and credit cards with teaser rates and questionable marketing tactics that say they think of us as slaughtered cattle. It is a disgrace... I have no sympathy for banks and their tactics... if a bank doesn't give you what you want move on... Shop your banks hard and don't be afraid to demand service. **Checking and Savings account should be FREE - period.**
6. You can receive a decent return from ING Direct, HSBC Direct, and Emigrant Bank; they should offer you no less than 3% interest. Opening an account is FREE and wiring money from your existing checking account on a monthly basis should be free. You should not tolerate any fees. (A good resource for is www.bankrate.com.)
7. **Credit Card Companies are not your friend!** (Duh!!!) They lure you to get you... This Gotcha game is evident is how they have reduced the number of days you can pay for your credit card bill; but the worst offense, and we should blame our congress for allowing the Credit Card companies to do this, is called UNIVERSAL DEFAULT RATE. It simple really: your credit card company can boost your rate to extortion territory, 30%+, just because your credit picture has changed. "Once you are on the hook for a large Credit Card Bill they will raise your interest rate at will because something in your credit appeared that they don't like. This is simply extortion... I'd rather borrow money from Tony Soprano... it is unconscionable that our fellow citizens are getting this treatment and we are silent... all the parties that got together to create this system should be ashamed of themselves; it is un-American to kick someone while they are down! (Blame you Congressman – The Bank Lobby bought this legislation.)
8. **Living within your means is good.** And yes this means getting new friends if the ones you have don't appreciate this fact about you. You don't needs to buy a \$2,000 TV when your budget is barely for \$500. There is a great TV out there for you for \$500 and you should not feel ashamed of that. And please don't get me started on 0% financing so you can spend more. You don't have to become friends with the Sales Clerk at Best Buy... You

don't have to feel a sense of shame because you are not splurging on a Ginormous Big Screen TV. Living within your means is good and don't let anyone out there make you feel bad about it.

9. Does saving money make a difference...? **ABSOLUTELY!!!**
\$25/month at 3% for 25 years becomes \$11,000+;
\$100/month at 3% for 25 years becomes over \$44,000+;
\$250/month at 3% for 25 years becomes over \$111,000+;
for me these numbers don't really matter; Those who save a portion of their hard-earned money develop a good relationship with money. Money is only one aspect of their life; they balance it well and have an abundant existence. As with anything meaningful in life getting started is the most difficult step...
10. Saving is the first step towards financial security... Those who save and start building a nest egg learn not only the value of money but start opening themselves to good investment vehicles. None are possible unless you become a habitual saver. Even buying a home start by pinching your pennies... it is a virtuous cycle that starts the journey towards financial stability.
11. **Teach your kids that it's Good to Save...**They will learn from your example. They will learn by how you do things NOT what you tell them... save yourself a lot of grief and practice what you preach... they will mimic the good and the bad in you.. Make is a fun activity to put money aside for a rainy day. It that means a Quarter a month – so be it!!!
12. When shopping **learn to say NO!!!** Not as a way to deprive yourself or your family but as a sign that you care about them. Learn to say No to Salespeople; if you are in the market for a \$300 Washing Machine – say No to anything else. Don't let clerks decide your budget – you do!
When saying "No" the sales clerks say it firmly, categorically, and clearly. Put aside the misplaced guilt because they pry on that – the worst thing you can say is "I don't know..." might as well give them your wallet and disrobe at that junction.
13. Be aware that we are passionate creatures and splurging once in a while is ok... It is this fact that marketers and advertisers exploit to turn us into Feel-Good Consumption-Machines. I got to tell you: **YOU DON'T NEED TO FEEL GOOD ALL THE TIME!!!**
14. Listen to the Clark Howard show or visit his website <http://clarkhoward.com/> - he is truly an advocate for sane living. I admire his tenacity and his advocacy.

15. Subscribe to Consumer Reports – Their independence is years in the making. Learn to shop smart by doing your research, compare prices and force manufacturers to cater to you...
16. A survey was done recently on how families shopped at the supermarket and found that many could save between \$75 and \$100 each month. The biggest culprit was impulse buying; of course a shift away from processed foods to more vegetables, fruits and beans tended to be both healthier and cheaper.

Start Saving your hard-earned money any which way you can – do it intentionally and methodically; your life will change for the better.

“Wake up Intentional – The Universe will notice...”

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