

STEP BY STEP WITH MONEY

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It has been a week since the start of our series on ‘**Saving Money**’. I trust that all is going well with our game, ‘Let’s Create a Habit’. For those that missed it, we need a clear two liter jar placed in our bathroom so that we can see it each morning. Mine is on the shelf beside the mirror so I see it while I shave. The rules are: have two less coffees/juices/snacks a day. Take the money saved and place it in the jar. The money saved should not be used for other purchases but placed in the jar. This way we can see the money being saved.

Last week’s article also included an example of a budget. If you have questions, please email through The Success Collaborative. We mentioned wealth and briefly spoke about paying yourself first.

Now that we have some savings by paying ourselves first and money in our 2 liter jar we should think about **What are we going to do with our money**. This is our focus for weeks 15 and 16. Savings here are not for spending. I admit that I did it, e.g., holidays. I have since seen the light. I still save for holidays but my savings have expanded. Savings here are for managing money and looking at life after death. What sort of legacy do we want to leave. This may feel a bit overwhelming ‘saving for life after death’. We may just want to manage our money up to death. That is a great start. However, on this journey we should stay open to the possibility of managing our money for life after death.

Please note, I am not providing any financial advice and you should seek financial advice for your specific circumstances.

Now that we have money in our 2 liter jar in the bathroom, I suggest we continue adding to it. Sometimes we may feel uncomfortable when we did not add money to our jar. This feeling is important because it forms part of our wealth creation. We do not want to create a situation where we feel we must put money into the jar to feel wealthy. If you recall, last week I mentioned that wealth relates to how comfortable we feel with the money we have. If we feel uncomfortable when we do not put money into the jar because we are saving for a goal then that is good. However, if we feel uncomfortable because of our ego then that is not good. This is because in five years’ time when we are saving \$2,000/\$5,000 per month we do not want to save to satisfy our ego. We may start depriving ourselves and this may not feel good and is not wealth creation. You may have heard of people dying with \$1,000,000 dollars stuck under the bed, while living in squalor. That is not wealth creation. That said, if this is new to us, I suggest that we recognise our feelings and continue to put money into our jar. This is because we are continuing to grow and develop wealth.

What about our monthly savings from our budget? We could put it in a bank account and earn interest, invest it in shares/bonds, in our YGY business, pay off debt, buy minerals - gold/silver, etc.

However, before we start with these ideas, I suggest building a security blanket. It could be savings to cover expenses for 6 to 12 months. If unforeseen circumstances arise then we know we could live comfortably while we recover. This security will contribute to our feelings of wealth.

It is tempting to look at the sums saved and decide to invest our savings in, for example, shares. To invest we need to have a strong mind. This is because whatever goes up comes down and in many cases, goes up again and down again. It is like the seasons, after summer is autumn followed by winter, spring and summer. If our minds are not strong we may panic and sell at the bottom of for example, the share market and make a loss and may not want to invest again. Thus, the type of education we take on is imperative.

Let us start by creating a security blanket. This will be a great lesson in our wealth creation. Next week I will share about saving cash compared to hedging. This is important because when we save our cash we want it to retain its value over time, rather than loose value.