

STEP BY STEP WITH MONEY

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As part of our series on 'Saving Money', last week I mentioned that this week (week 17) I would share how to read a profit and loss statement and balance sheet. Before we do that, it is important to revisit the creation of **Saving Habits**.

We have all heard that we should live on 70% of our income and the remaining 30% should be equally divided 10% for charity, 10% for creating wealth and 10% for savings. I am not going to repeat something we may have heard or read. Instead, I will share a story.

I have six kids. They often get excited when they are planning a game. They may start playing shops and move the furniture around and attack the grocery cupboards. They will decide on the type of shop each one will have. There is lots of frantic activity, organising creating counters, setting out the products that their shop will sell and make them money. There is also lots of negotiating, giving and helping going on. Once the different shops are set up they then spend the whole day, not one or two hours, the whole day slowly visiting each store and trading their made-up paper money. They have lunch in between and my wife sometimes has to exchange products so that she can make dinner. What is really evident is their excitement and the frantic activity followed by slowly waiting for the game to unfold as each one will buy products and exchange money. Imagine going back to a time when we were excited about something and applying that excitement to creating wealth with our 10%. Having our imagination roam and creating a wealth plan, i.e., the frantic activity of setting up a shop. For many of us our wealth plan is our 2 to 3 year plan. It may seem difficult to see how we will achieve it but if we look at the skills we developed over the years and our hobbies we will see that we can incorporate those skills and hobbies into our wealth plan. For example, our hobby may be painting with a group of painters, we could invite our group to our next make-up party, it is painting. Imagine how we would sleep knowing that we have a wealth creation plan and we are working that plan. I believe that our excitement while we sleep will create the energy so that the universe can supply the opportunities for our wealth to be created.

My kids, like many kids, argue with one another. However, when they are in their game they share products and help one another build their shop. They will often give up a product or piece of furniture so that the other can use it in their shop. I would imagine that in our younger years we also gave things to our siblings or friends, whether it be time or products. Giving at this young age is extremely important and we should strive to develop and maintain the habit of giving. We may wish to get back into that emotion of giving and slowly develop it to where we are giving at a higher level. Once we have developed the emotion and habit of giving 10% then it does not matter whether we are giving \$100 out of \$1,000, \$10,000 out of \$100,000 or \$100,000 out of \$1,000,000. Some may say that they will donate when they have money. \$100,000 is a considerable sum of money. I doubt the \$100,000 donation will be made if the habit of charity has not been developed before the big money comes in. I am also surprised how my kids can play one game for hours and at bed time ask that their shops stay as it is. My wife and I then end up walking over furniture etc. They go to bed with peace of mind that when they wake up their shop, their income earning venture will still be operating. This is similar to putting away 10% for savings. Imagine, knowing that we can go and sleep and our winters of life are covered. We have saved 10% of our income each payday and we have money for any emergency. Allocating 30% to investment, charity and savings will have an impact. We may rationalise that when we start we may only have \$20 in savings, \$20 to invest back into our business along with our commission cheques and the remaining \$20 being donated to charity. We may feel that this is only a small amount. I firmly believe that this way of thinking is us selling ourselves short.

I believe that once we start to save money, we attract that energy to save more. We will continue to acquire things we need because we naturally come across the products needed. Those products may be at a lesser price or a better quality so you buy less next time. The point is that our energy and the universe by default will provide for our needs. This is because we automatically feel wealthy just because we have \$20 in savings and an additional \$20 in our business investment account. Now imagine the effect after 2 years, 5 years and 10 years. How much savings and wealth would we have created, not to mention the difference we would have made to charity. All we did was put away 30% of our income each payday.