

## FRUGALITY

### The New Buzz Word

The word “frugality” is being thrown around a lot today. People on Wall Street, the financial experts, and finally some consumers are starting to take a different look at this word. For some of us, it is not a word to be taken lightly. “Frugality” pretty much means that you are trying to live within your means. The extravagant life style that many people TRIED to live is no longer possible. People say that the economy is killing them...perhaps it’s their spending habits that they should be blaming. I use the word QUIT a lot and I think it’s time that people quit looking to the outside world to fix what’s wrong. If you are frittering away \$10 a day for the WANTS of life...\$4 for a pack of cigarettes, \$2 for a drink of any kind, \$4 for doughnuts, candy bars, , brown-bag special, etc. - that is \$3.650 a year. Now, I don’t know how much your take home paycheck is, but for those of you making \$10 an hour gross and \$7 an hour take home...let’s do the math - -  $\$ 3650 \div \$ 7 = 521$  Life Hours and then  $\div$  that by a 40 hour work week and that is 13.25 Work Weeks of your life or three months and one week of your hard earned money just slipping through your hands.

Frugality is not a bad word – as a matter of fact, it is just one piece of the game of money. It doesn’t mean that you can never spend money again, it just means that if you don’t waste \$10 a day for the WANTS of life, that you could have that much money to put into your retirement account, put that money into savings, pay cash for that new furniture, pay off that credit card or just let it lie in your account and help you to get balanced out from the financial chaos that you have established over the past few years.

Money is a game and one that you should be learning to play to your advantage. You have to begin learning how to keep more money in your pocket by learning some of the rules of the game...and some of the tricks that people are using to get your hard earned money from you.

Look at the countless commercials to which we are exposed everyday. You will hear plenty of pitches about how you “just cannot possibly live with-out” this item. They try to trick you into buying things that you can’t afford and that will leave you facing the consequences of your actions for years to come...you know, working all those hours for months to pay for that one day of thinking you were a rich person. They boldly tell you that the payments will be only so much a month, but usually with some fast talk and small print at the end of the commercial, they might tell you what the total price of something will be over the course of the loan or lease. They talk about how you can afford the payments – and how would *they*

know? They don't know your spreadsheet – your income and expenses. They are telling you that for just \$5 down and \$5 a month you can immediately have the hot little item in your hands...right now! Just because they say you can afford it, doesn't mean you can, and once you sign that agreement or contract, you are legally bound to pay for that impulse of a buy.

I don't have anything against credit or credit cards, but neither one is a Free Willie Spending item – Free Willie Spending is buying today, what you want and you will figure out later how you are going to pay for it. They are necessary tools in today's world, but they are tools that, if you don't use them right, can make your finances implode within a few short years – aka - bankruptcy.

What happened to the words “debt-free” in our society? Debt-free and frugality have a lot in common. If you're planning on buying something anyway, why not shop for it on sale, or look for those no-interest periods that some companies offer or better yet, why not put that monthly payment into savings to save up for that item and by the time you are able to pay cash, surely they will have added some bells and whistles that weren't there when you began researching the item...and you have earned interest on your money, instead of paying *them* interest on the item just for the privilege of walking out of the store with it right then.

I absolutely love the stories of the people who come from the poorest countries with not a dime to their name and within a few years have accumulated wealth from our country. Wealth that is available to all of us if we will just begin respecting our money and being more cautious with our spending. Goodness sakes, they started with nothing...and we are already here.

So the next time you drop the “F Bomb” let it be the bomb of frugality. We have got to start evaluating every penny that we spend, to make our money work smarter for us, because we work so hard for it.