

MONEY. Many years ago I was made aware of a simple truth, but it took me until I was sixty five years old to truly understand it.

As regards money, everybody falls into one of three groups:

- 1) those who never have enough, who are always in debt;
- 2) those always with enough money, who meet their needs readily;
- 3) those who have more than they need, who are able to save.

This is quite straightforward - what is baffling, though, is the fact that you find people of all income-levels in all three groups.

It is understandable for a person with money struggles to think: 'If I only had a pay rise, I would be alright - life would be easy.'

However, most probably that would not be the case; many of us have unwittingly designed our lives in a way that we will spend more money than we bring in - even a person making five or ten times as much as we do may be constantly in debt.

Once we comprehend this truth, we can take the steps that will put us in the third group - regardless of how much we earn.

I heard about this concept first in the Bob Proctor Born Rich seminar. Bob is all about wealth creation. His premise is: 'If you can Imagine it, then you can Create it' - which is a faculty of the 'Power of the Mind' or 'Law of Attraction' school. To help you feel rich, visit Bob at bobproctor.com

However, should you find yourself poisoned by an overly optimistic expectation of what your mind can create, the book Bright-Sided by Barbara Ehrenreich is an effective antidote. "Positive thinkers, read this book. It's never too late to begin thinking clearly." Frederick Crews

see also SECRET, THINKING

My all time favourite cartoon strip is Wiley's Non Sequitur - in one cartoon, the economics teacher has written on the blackboard: "Lesson one: Don't spend more than you earn" and this bloke holds up his hand and goes: "I don't get it." That's me, for most of my life.

"Don't spend more than you earn" ... a powerful maxim. Once we've learnt to harness this power, we have taken a great step toward happiness. This is what it means in real-life terms: We must match our life style to our income, not try to match our income to the life we desire.

So, now I read this book, The Barefoot Investor, by fiercely independent Australian investment advisor Scott Pape; it's about all things money, bank accounts, saving strategies, superannuation and investments. The subtitle of the book is quite a claim: The Only Money Guide You'll Ever Need.

His advice is sound: 1) Spend less than you earn; 2) don't use credit cards; 3) use fee-free bank accounts; 4) use loans only for assets, never for consumables like toys, cars and holidays; 5) buy a house to live and retire in that you can afford; 6) invest in stocks & add to your super, i.e. save.

But the book also is written in an annoyingly verbose style. I want the financial advice I follow laid out similarly to the thinking and writing rules established by Bertrand Russel (see RUSSEL); here I replaced 'philosophy' with 'financial advice' and 'financial advisor':

Russell strove to rid financial advice of meaningless assertions; he sought precision in argument by the use of exact language.

Russell saw logic and science as the tools of financial advice; he believed one task of the financial advisor is to remove confusion.

Yuval Noah Harari writes in his book Sapiens that money is giving humans purpose. He talks about how three universal systems laid the foundations for a united world: Empires, religions and money: "money is the most universal system of trust ever devised".

However, he also touches on the issue that money in many quarters is seen as an evil. Society looks on many things as priceless, such as honor, love, loyalty and morality. Christianity, namely Catholicism, was corrupted when people could commit sins and then buy forgiveness from the Church.