



Why Don't I Have Any Money?

By Dr. Linda Hancock

ABOUT THE AUTHOR

Dr. Hancock has written a regular weekly column entitled "All Psyched Up" for newspapers in two Canadian provinces for more than a dozen years. Over the years, her readers and clients have said that they have benefited from her common-sense solutions, wisdom, and sense of humour. Dr. Linda Hancock, the author of "Life is An Adventure...every step of the way" and "Open for Business Success" is a Registered Psychologist who has a private practice in Medicine Hat. She can be reached at 403-529-6877 or through email office@drlindahancock.com

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I remember when I was in grade eight and my father was scared to resign from his job because he didn't want to lose the three hundred dollar a month income that he was paid. But then you have to consider that our house had only cost six thousand dollars.

We were never really what I thought was "poor" but we really didn't have any extra money.

Our family of four saved to have one holiday. We drove in our only vehicle from Saskatchewan to British Columbia and stayed at the house of my father's friend and visited Stanley Park. No flights, hotels or recreational costs.

Three hundred dollars didn't go very far but then we didn't expect much.

Now I see people who earn more than one hundred thousand a year who are on the edge of bankruptcy and they wonder what is wrong.

They have a big new house with several bedrooms and bathrooms. In the driveway are a number of vehicles, a boat, trailer, and quads. They have hundreds of pictures that were taken on their trips to the Caribbean, Europe and on cruise ships. Because they really don't enjoy cooking, their meals are often at fine dining establishments or ordered in. Their children have birthday parties that include spa days or movies for ten or more friends. The credit cards are maxed out and there is often too much month at the end of the money.

But they are not alone. Their friends are usually in the same situation and it is sometimes hard to figure out how they will be able to afford the next golf trip or technological "toy" that just hit the market.

Most people spend too much money! They think that because they work hard, they deserve to live well but often don't see how their quest for "the good life" doesn't match their ability to pay for it - until it's too late. And then they think that bankruptcy will give them a fresh start. But without learning any skills or lowering their consumption, they just end up facing a second bankruptcy.

There is only one way to stop this cycle. Start spending less than what you earn and only buy things when you have saved the money to do so.

Think about it this way. If all of a sudden you got a raise of ten thousand dollars a year, do you think that you would save all of it by the end of the December? No. You would probably just buy more.

On the other hand, if you had a job loss or illness, would you be able to live on the reduced income that would result? Probably not with the debt load that you have built up. But if you were debt free you would definitely be able to adjust your expenses to match either the disability or employment insurance that you would receive.

It is all a state of mind. You can continue accumulating debt until you are overwhelmed or you can begin making a plan and adjust your behaviours to start building a solid financial future.

The choice is yours. What will you do?

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