

\$ THE VALUE OF CASH

By Rana Jewell



What is so wrong with having money in the bank, or a sum of money sitting idle somewhere? Anyone would think that it was almost a criminal offence.

We get little or no encouragement to do so. For a business person, debt is not only encouraged, it is often tax deductible. As far as personal expenses go, everywhere I look we are encouraged to borrow, borrow, borrow. Buy now, pay later.

Recently I saw a young man unexpectedly receive notice of retrenchment. He fronted up to Centrelink hoping to receive financial assistance whilst he sought new employment, only to be told that he had to undergo a 3-month waiting period before becoming entitled to benefits.

Why? Because he had money in the bank! At face value this would seem correct. However, he had previously served a waiting period on this same money and it didn't matter that he had fought to keep it in the bank despite two previous periods of unemployment.

So with all the encouragement for individuals and business persons to live on credit, why save?

In financial circles, the term **liquidity is often used to describe money, or cash.**

When investing, if you have a preference for cash investments, rather than shares or property, you tend to be referred to as a **conservative investor** – it feels somewhat derogatory. So why save money? Why be the odd one out? You'd be lucky to find any logical, or tax, reasons to do so.

Whilst debt is popular and common, it can also be cumbersome and a rather like a noose around our

necks – forcing us to stay stuck in a situation or lifestyle that may no longer suit us.

The value of liquidity is often overlooked, and not fully understood. Think about that term – water is liquid and money is liquid, free flowing. It allows choices that might otherwise remain a distant dream.

Have you ever thought to save up six month's salary, or even three months? Just think about it – if that money was sitting there, you could waltz off to work feeling like you had a choice, you were choosing to work, rather than having to.

Feeling that we have choices is empowering. Or perhaps you would enjoy knowing that you could choose to take three months off work – no illness or crisis, just because you want to.

I'm not saying that all debt is bad – it is the rampant use of it that is unhealthy. When I observe clients and friends, they seem to almost fall over themselves getting rid of their money as fast as they can. None of it sticks; it falls through their fingers like grains of sand – unharnessed energy.

I've never felt prosperous – how can I?

In my opinion, a feeling of prosperity has two elements:

1. A feeling of: "I have enough now," and
2. Having a healthy cushion between your income and expenses, ie your expenses are consistently less than your income.

Simple concepts, yet so hard to achieve.

Next time you receive a pay



Rana Jewell
Registered Tax Agent and
Lifestyle Counsellor

increase, or a dividend, or some other unexpected form of money, sit on it, save it, leave it – resist the temptation to immediately find a use for it.

In each of us, lurking beneath the surface are one or two special activities that really light up our eyes and nourish our souls – our whole being changes when we do these special things. Some examples that I have witnessed: wood turning, scuba diving, rock'n'roll dancing, gardening, water colour painting, snow skiing, swimming in the ocean, to name a few.

What If I don't know what I want yet?

That's normal. Stop worrying. Perhaps a more pertinent question is...

Do you know what you DON'T want?

If so, take an inventory of your time



and money and make sure that you are not spending time or money on what you know you don't want.

A word of caution here – I'm not advocating that you neglect your responsibilities to family and children – we all have to do what is necessary to meet our basic needs and those of our loved ones. What I'm talking about is that little extra time and money that you can squeeze out of daily life.

Step 1: Clean out all unnecessary activities, commitments and expenditure.

Step 2: Leave a space – a vacant lot, an empty paddock, don't rush to fill it – it's amazing what the heavens may do with a spare space.

Step 3: Save a little extra each week – when that "emergency" arises, which it always does as soon as we decide to save, sit on your purse for a few days and see if any creative solutions to this emergency arise.

Step 4: Wait, listen and observe yourself, your feelings and your inner voice – if you sit still long enough – what you truly deeply want will bubble up from inside you.

The irony is that when allocating our time and money, we all put those one or two special, and soulful, activities at the bottom of our priority list.

And when you do finally decide to make them a priority, many hurdles and obstacles will fall at your feet – it's as if the universe is saying:

"You want this? Let's see how serious you are."

I challenge you to find a way to siphon off a little extra money each week, or fortnight – however small – \$5 is sufficient to start with. Its ultimate use is **unknown** at this stage.

Ignore the "emergencies" and the ego-based: *"I want. I want. I want... and I want it now!"* Develop patience. Let it accumulate slowly and consistently for a minimum of 12 months. This will take a lot of focus, rigour, self-discipline and determination.

Money left alone for a while is like a seed that will germinate and flourish into blossom. If spent immediately, we often choose necessary expenses or a socially acceptable item.

Whereas left alone, I have often seen the song of our inner being come to life through a special pot of money set aside to mature... who knows what wisdom and purpose will bubble up from within you.

Perhaps a pair of red shoes for dancing, or a fishing rod to go adventuring, or a laptop computer to write a life story, or a wood lathe to carve out dinner set, or a job resignation in order to go backpacking... or something more.

Rana Jewell
Registered Tax Agent and
Lifestyle Counsellor
Mobile: 0408 51 0001
E-mail:
ranajewell@joymail.com