



It's late February but not too late for "Love Money".

Whenever we are forced to take a critical look at our finances; with particular emphasis on our spending habits, it's really interesting to look at how much larger the ton of bricks generally becomes, when we start evaluating what we believe to be the "frivolities" of our lives. Our individual and family practices get an even bigger body slam that the falling ton of bricks, if we're completing the evaluation with someone around whom we've asked for help or an opinion. It's amazing how critical we can all be about how much is spent on birthday gifts, vacations, pets and so on. Most see these expenses as frivolous. And I'll be the first person to jump on the bandwagon regarding frivolity – remember the item on "Money Grabbers" you read here last fall? However anyone who simply says "cut it"; me included, is simply not being a realist. Why? Human beings were made to socialize, to mix, and to enjoy relationships. And all these things cost money.

The management of our personal financial resources is entirely about balance and trying, to the best of our capability to not overspend. No category of expenditure is entirely unreasonable if it's balanced against and reflects our income. And no financial plan to reign in costs should ever use the elimination of an expense entirely as a practical means of achieving a goal.

A balanced spending plan sees a maximum of 15 % of household's net income devoted to what we call the three "R's" of the family budget; Relationships, Recreation and Reading costs.

The inter-connected nature of this section of a household budget is remarkable. So if you look to the individual amounts within the category, you'll be sure to understand almost right away where the overall heading comes from.

This is where you identify the costs of things like vacations, memberships in service and other clubs, sports, athletics, political and social causes. It's also where you pay for tuition, lessons, newspapers, books, magazines and other subscriptions. This budget heading also sees you pay for books, school expenses and school supplies. It covers the cost of taking your honey on a date, or to a movie; or if you both are very fortunate for a weekend hotel or B & B getaway. This is also the category of household expenditure where you cover off the cost of your pets including their care, food and maintenances, having photos developed, supporting your church and making sure your children have an allowance. It covers Christmas and occasional gifts, gatherings and celebrations, postage stamps and other mailing cost. And last, but by no means least, it includes expenses associated with seeing and socializing with family, extended family, colleagues and friends.

Of course, not all households or individuals will have such an extensive list. Whether or not you do depends upon your own priorities and value system. However, most of us certainly have experienced all these expenses at one point or another, or we will at some point in our lives.

And where do they all belong in the end? Just take a moment; they're primarily about relationships – Who do you vacation with? - Your family. Who do you golf or play hockey with? - Your chums. Who do you take photos of? People important in your life.

And what social or charitable causes do you support? Chances are, things important to you or someone you love. Who do you support politically? I'll bet it's someone you know, may have known in the past or that you have an affinity for.

And why do you invest in your children, socially, spiritually, academically and athletically. I think you know why by now.

It's all about relationships and the things that meet our need as human beings to be close, to cajole, to care and to be cared about. You see while we're making all these investments in other people, hopefully, we're getting something back from them. The best relationships to invest in are those which are mutual.

The key ingredient is knowing how much to spend and when we're over the top. So if we are spending more than 15% of our net pay, it's time to start trimming. Cutting these expenses is not easy at all. We see people everyday who are readily willing to sacrifice the second car in a household. But, when it comes to spending less time at the rink, or deciding which of a daughter's three dance options will have to go; the same people struggle incredibly; these are gut wrenching and highly emotional choices.

Sometimes I call this category of expenditure "Love Money". Ah – love; ain't it grand, well maybe several grand.

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