

The More You Know!

There's much about the way American's and the American media promotes all things "USA" that really does not turn my crank. But every now and then they hit on something that's not only brilliantly done, it's also a brilliant concept. Probably my favourite is a twenty second television spot with the tag line "The More You Know". Essentially, it challenges listeners to be ever aware and always curious about their own world and to always look for ways to know more about almost any subject.

So, what of "The More You Know" about where your money goes. And what do you have to show for the money you've earned over the years. One of the best ways I've ever come across to measure this, is by carrying out a complete household financial inventory. Sounds easy right? And it is; but I suspect, based upon experience, that most people view a financial inventory to be a listing of the "cash" part of their lives. Some might even include their liabilities. If this is you, you're partially right.

A household financial inventory is a complete listing of all assets along with all liabilities and debts. Credit Counsellors like the idea of the complete financial inventory because it tells people where much of their money has gone over the years. What's really nice though, is the sense of enlightenment that most people feel as they look at the "All our assets" column. If you go through this process I'm almost sure that you'll agree with me, you'll definitely know where some, possibly even the bulk of, your money has gone.

Yes, include at the front of your list, all the cash in your life and include RRSP's, RESP's, bonds, investments, etc. Then move on to your house and include its financing costs; this is after all about where your dollars go. You might also start with outside your property itself; maybe even in the driveway. How much did your car cost; including financing? What about tires; are they new or original? Have you had any major repairs? Have these enhanced the value of the vehicle?

Look around outside a little more. Do you have a fence? Did you build it? If so, what was the cost including labour and materials? Don't forget your patio. Consider as well, outside embellishments we carry out so frequently. For example, how much have you put into your garden? And I don't just mean planting. What about furniture for out of doors? The law mower, snow blower, barbeque, watering systems and so forth? As you move inside and list the major items contained there, like furniture, appliances and electronics, consider as well also how much you've spent on small appliances, dishes, cutlery and food preparation things. What about cookbooks and the like? Consider improvements and the decorating of the inside of your home. Have you added hardwood, new windows and so forth? Can and do you carry out this kind of repair yourself? Or are you like me, and generally end up paying to have the most mundane chore completed.

It's within the little things that major dollars hide. Look long and hard inside jewelry boxes, bookcases and obscurely located drawers. Just how many videos and DVD's do you own? And speaking of music, are there instruments in your house? Did you retain a lot of your books and novels or did you chuck them out or give them away? Have you been collecting art? Are you another kind of collector? You know, stamps, coins, porcelain or some other type of figurine or collectable. And don't forget tools, power tools and the like.

Try as best you can to recall, and then assign, the original purchase price you paid.

Now; get out your calculator and add the original costs of the whole lot together. Wait for the shock; chances are there will be one.

Give yourself some kudos. Obviously you've done very, very well. You just need to see it all before your eyes, to see just how well.

There's another "upside" to this little exercise too. With the inventory completed, you're ideally situated to respond to any concerns or questions raised by your insurance company in the event of a claim.

Your list will likely be extensive. So it's also a great idea to photocopy and keep it in your safe deposit box with the other important documents you feel are worth preserving.

And if you really want to "assure" the validity of your inventory list, from the perspective of security, make a video or take extensive photos of the various rooms in your house along with item-by-item pictures of jewelry and physically small items.

But this exercise is first and foremost about you feeling good about your place in the world. Human beings love to beat themselves up on all things financial. It's either that or the other extreme, where we estimate our worth to be so-so much more than reality. This little process keeps you balanced and easily lays the facts before us.

It's like I said; "The More You Know"!

Al Antle is the

Executive Director of *Credit and Debt Solutions*.....*your partner in financial wellness.*