

Understanding the Times...

(...and Knowing What to Do)

Understanding the times that we are living in is an essential element for planning and plotting a course of action to follow. This is especially true when dealing with our finances. Understanding the times has three key factors:

1. Understanding the culture – knowing the people we live with and the place we live in
2. Understanding the times – knowing the particular time and knowing when to make a move
3. Understanding our strategy – knowing the “how to’s” – the steps that need to be taken

Culture

The current culture is one that is fast paced, changing rapidly and moving away from traditional values. Here are some characteristics of today’s society—

- **Self-absorption** manifests itself in a way where we are so absorbed in our world that we have little care in other’s interests or our impact on others.
- **Hedonism** is defined as a school of philosophy which argues that pleasure has an ultimate importance and is the most important pursuit of humanity. A hedonist is someone motivated by desires for sensual pleasures.
- **Materialism** is very much a “core value” in today’s society and culture. Consulting your dictionary you may find it called, “an emphasis on material objects and considerations with a dis-interest of spiritual values.” A modern day bumper sticker we’ve seen about materialism boasts: “He who dies with the most toys, wins.”
- **Greed** is characterized by excessive desire to acquire or possess more (especially more material wealth) than we need or deserve. When consumed with greed a person often has an insatiable desire for wealth. Greed is personified as one of the deadly sins.
- **Entitlement** can come into play in our society when younger generations feel they deserve all that their parents have, often without making the same sacrifices or waiting the time it took their parents to achieve them. It is a belief that we deserve things we did not necessarily earn. And that we deserve the celebrity/glamorous lifestyle portrayed in the media.

In summary, when finances are involved, the culture we live in drives us to spending money on things we don’t necessarily need. Our desires are motivated by a marketplace that continually bombards us with messages that are telling us, “Go ahead, buy it, because you deserve it” and filled with credit plans like “Bill Me Later.” Not a believer yet? Try an Internet search on the terms above...

Times

The time we are living in is unparalleled with—

- An **Abundance of Information** on just about any topic you'd like. You can "google" any subject you want to find information about. "Mapquest" takes you into any neighborhood around the world. And Identity theft steals personal information from unsuspecting victims making us all feel vulnerable to unknown predators.
- **Available Credit** giving us the ability to get just about whatever we want. "Buy now, pay later" offers lure us to buy things we don't necessarily need. Average household credit card debt alone exceeds \$10,000 and over two-thirds of the American economy is based on consumer spending.
- **Technology** available to the masses enables us to communicate to anyone, anywhere, anytime.

We are clearly living in the Information Age. Information is available on all sorts of products and services and the abundance of easily obtainable credit makes those products and services easier to obtain.

Strategy

This culture and these times demand specific strategies in order to move forward with making changes to improve our situation. However, five time-tested strategies still seem to handle the culture and stand the test of time:

1. **Spending less than you make** and you will be going against the current trends. Some estimate that Americans – on average -- spend 139% of what they make.
2. **Living on a Budget** forces discipline and communication in the household. These are ingredients to financial peace. A budget will tell you if you are spending less than you make.
3. **Save** for emergencies first, then major purchases, education, retirement and the like.
4. **Get out of Debt** and stop the calls from the creditors while improving your credit score and credit profile.
5. **Give** generously. The universe obeys the law that we reap generously when we sow generously.

These strategies require us to develop financial discipline. We need to be experts on separating our needs from our wants and desires. Managing these five strategies will help us to both save for the items we need and be there when we have that unexpected emergency. They will also lead us to a place of financial peace, stronger relationships and debt-free living.

But, the discipline we need to develop will be counter-cultural. Don't look to TV or the mass media to help. Where do you look? That's where you can put the power of the Information Age to work to your advantage. Look for personal and household budget coaches to help you develop and plan and then stick with it. Getting your finances under control will help you to understand the times, and know what to do....

Michael Di Maio is the Executive Director of New Focus – NJ, a non-profit company that helps change people's lives by providing counseling and training to people in financial need and distress. Visit them at www.newfocusnj.org.