



KEEPING UP WITH APPEARANCES?

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CARLA SEELY – Guest Columnist

It used to be that spending money on status symbols for the sake of flaunting your wealth was an activity reserved for royalty and millionaires. That has all changed; a desire to climb the social ladder has become for some the most important thing.

With the increasing availability of goods, people are more inclined to define themselves by what they possess or what they are wearing, or which neighbourhood they live in.

So while watering your plants you notice your neighbour is opening the door of his shiny new SUV carrying several designer labelled shopping bags. You don't get it! Their house is the same as yours, what they both do for a living isn't that different from yours, yet they seem to have so much more and appear to be much happier.

It seems more and more people are living the good life, at least in a material sense, except for you. Sadly however, most of their resources come from credit cards, a refinanced mortgage and consumer financing for cars, furniture etc. Your neighbour is no exception. They are swimming in debt and almost broke. Their desire to be defined by their possessions and to be the envy of

neighbours, family and friends is a rational justification for placing all superficial needs on credit. No one needs a weekly housekeeper, high end kitchen appliances, or even a second or third home. Remember, these items still qualify as luxuries to most people.

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Whether these types of people live down the street from you or are coworkers, relative or best friend, trying to keep up with them or comparing yourself to them will only lead to financial ruin.

Avoid stretching your finances for bigger and better things, it's important to live **BELOW** your means and have extra funds available should a real emergency arise.

With the economic outlook for 2011 so uncertain and unemployment on the rise, the idea of spending money on status symbols just for the sake of showing off should be a thing of the past. If you are driving a fancy car but have nothing in your savings or retirement accounts, you might want to reevaluate your priorities. A big home and an expensive car might seem nice, but in reality they are unnecessary, a house provides a roof over your head whether it's big or small and a car will drive the same roads regardless.

To overcome envy you need to figure out your purpose and identify what has meaning and what you most value. When you begin to think about buying a bigger home, it will help to visualize perhaps retiring earlier than 65 years old and how



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you would like to live your retirement. When you desperately want that handbag or piece of jewellery with a \$2000 price tag, remember that is a want not a need; make sure you know the difference.

We need to make our money obey our values by setting specific financial goals. If we achieve the things we value most, we'll be less interested in what the neighbours have and more interested in our own financial independence.

While you may not look rich to the rest of the world, the reality is you are achieving wealth by your own definition. So why would you want to keep up with your neighbours, when really you should be avoiding them?

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