

Money Matters: 5 money rules to live by

By Nic Abelow

It's not simply a matter of working harder; it's much more about using your non-financial skills and talents in new ways to bring you prosperity and a greater sense of personal satisfaction.

Here are five tips to follow when seeking balance in your finances.



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1. Access to money is not evenly distributed. Take the time to understand credit scoring and how it can affect your ability to get lower-cost money – in terms of lower credit card rates, auto financing and more. Credit scores are driven off your payment history. If you pay off your credit cards and other bills on time, you will benefit from a higher credit score. But paying late has a negative effect on your score that could result in your paying more for mortgages and other big-ticket items. Home ownership has long been a way for people to build a nest egg. Even if the tax incentives may not be as compelling as they once were, owning a home is a form of forced savings that can build significantly over time.

2. Think like a business owner. Your greatest asset is your ability to make an income from your unique talents.

Thinking like an entrepreneur – even if you have a regular job – is a critical way to survive in the 21st century, when the only certainty is change. At work, do you routinely look for new problems to solve? Are you willing to take on new challenges? As you find opportunities to apply your unique talent and skills, you are reinforcing your value to the organization. Goodwill and flexibility go a long way to creating a career path that you may never have imagined for yourself.

3. Build work and non-work relationships. Your ability to be successful depends on how well you build relationships with others. These are the folks who can refer you to the next great career opportunity, or a volunteer gig that can bring you great personal satisfaction and happiness. Remember, relationship-building is different from networking. Networking is mostly about what you can get from others. Relationship-building is based on what you have to give others. And don't forget mentoring as a positive way to give back to your work and non-work communities.

4. Be positive. "Once you replace negative thoughts with positive ones," said Willie Nelson, "you'll start having positive results." Low self-esteem or lack of confidence are two major reasons why people don't achieve their goals. Being positive is a self-reinforcing feedback loop. If you catch yourself getting discouraged about a financial or personal setback, turn it around.

5. Don't neglect health and happiness. There's nothing more important than your good health. Having lots of possessions is not wealth. The ancient philosophers have long argued that true wealth and happiness stem from an abundance of the spiritual, not the material. Be sure to take time each day for good diet and exercise, and learn to appreciate that your total well-being depends just as much on these two pillars as it does on your financial security.

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