

Title

Basic rules for wealth

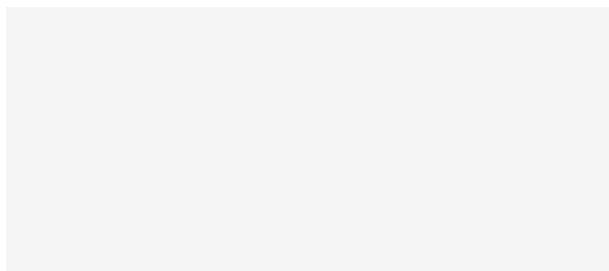
By

Luis Arturo Acevedo Acevedo

I dedicate this work to my wife Eliana, who supported me at all times, to my parents who always supported me and who sacrificed to give me an education, to my brothers for everything we have lived and fought, to my teachers, who insisted in getting their teachings in my head, my friends, who always encouraged me to carry out this project, and in general to all those who in some way helped me throughout these years, so that I could specify This work, to those who gave me what is necessary to carry out the studies concerning this work that today I dedicate to all of them this book.

I know that these words are not enough to express my gratitude, but I hope that with them, they give to understand my feelings of appreciation and affection to all of them.

Basic rules for wealth



FIRST LAW OF WEALTH:

Pay yourself



This idea is defined in a simple way.

BEFORE YOU BEGIN TO SPEND, THE BEST THING YOU CAN DO IS PAY YOURSELF TO YOURSELF

Something that is achieved by saving 10% of monthly income.

Of course, following this law requires discipline but the good thing is that when it becomes a habit, you do not miss the money that is being saved.

In addition, "he will soon be proud of that 10% saved and will barely remember at what expense that other 90%."

When you do not have a lot of money, there's probably no chance, let alone saving. But without effort, there will be no money to cover needs and be happy in the future. This sacrifice is called in the United States "to pay yourself first.

This philosophy of paying oneself first involves controlling expenses; it means spending only what can be paid for.

The first step to controlling expenses is to make a practical budget. This exercise responds to a plan of how to spend and save money, which guarantees the person to know where his money

goes and reduce or eliminate high or unnecessary investments.

Experts recommend when determining a budget, determine what are the objectives you want to achieve. Goals that can range from financing next year's vacations, through buying a house or paying for the education of the children, to having the necessary funds to have a quiet old age.

Whatever the objectives - which depend on the needs, interests and dreams of each individual - they must comply with certain parameters. The person must be clear about how much money he needs to save?; identify the amount of silver that it requires to achieve a goal (the purchase of a home, a car); when do you need the money?

Making this list of priorities will help a lot, because it is almost impossible to meet all the goals simultaneously. Therefore, it is essential to establish realistic objectives according to the income and possibilities, as well as to set a definite deadline to achieve them.

The budget becomes a tool that facilitates having money available for the things that are wanted, when they are needed. Without this planning, many people may perceive that their money tends

to disappear, because they do not have the certainty of where they are going.

Those who have studied the subject state that when the individual knows how his money is spent, he feels in control. Consequently, the person has the opportunity to pay their bills on time, save money periodically, and avoid all the problems associated with not having money.

Key to success.

The key to success in a budget that leads to effective savings is to keep a simple accounting. The individual must use the system that works best for him. Write down what is spent in a notebook or save receipts for all purchases, to name a couple of examples.

After this, at the end of each month or period established, it is necessary for the person to compare what they actually spent and their budget. Check that you kept your expenses according to your plan and look for ways to cut expenses.

The experts invite those who take this option of the budget not to falter if they have difficulty during the first months. Establishing a plan that works takes time. That's why they recommend

being flexible with the budget, that if it does not work, it's better to change.

What you should always keep in mind, who wants to save, is that your purpose is only achieved when you set goals and define a plan to make them real.

TIPS.

Before buying anything, stop and ask yourself: Do I really need it? . Before the slightest doubt, give up the purchase.

Try to live below your income (that is, spending less than you earn), rather than over them, as most of us do. If you receive extra money for any concept, (a cash prize, a bonus from the company where you work, your bonus and things like that), do not spend it all. Save as much as you can in the investment fund that suits you best.

Prefer debit cards to credit cards. In this way, you will only spend what you really have and you will not get into debt. Debit cards have the advantage of allowing you to go shopping, or go out and have

fun without getting into debt, and without the risk of carrying cash, which can rob you.

Reduce the debts of your credit cards. Using only one of them and, if possible, the one with the lowest interest rate.

If you have already gone into debt, consult an executive of your bank, to help you get out of the squeeze in the most economical way for you.

Invent imaginative ways to earn extra money. Serve as a school bus to your children's classmates whose parents cannot take them, or use your home as a temporary daycare center for the children of your neighbors. All this by charging reasonable fees, of course.

SECOND LAW OF WEALTH:

Set budgets to control your expenses



Of course it is always possible to think the following:

I can barely keep up with what I earn now. How can I save 10% of my salary?

The answer begins by admitting that all human beings want more things than the money they have to buy them, or what is the same, the needs are always unlimited but the resources are scarce.